surgicom

sudarsanam
SPINNING MILLS

sudarsanam
FABRICS

79th Annual Report 2018-2019

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

Our Founder's Mentor

SHRI P.A.C. RAMASAMY RAJA

Our Founder

SHRI N.K. RAMARAJU

"Gurubakthamani"
SHRI P.R. RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Ramco Group

Board of Directors

Shri P.R. VENKETRAMA RAJA, B.Tech., M.B.A.,
Chairman

Smt. NALINA RAMALAKSHMI, B.Sc., M.S.C.S.,
Managing Director

Shri N.R.K. RAMKUMAR RAJA, B.Tech., M.E.,
Managing Director

Shri K. MANOHARAN, M.A., DHT., HDC.,
(Nominee of Govt. of Tamilnadu)

Shri N.K. SHRIKANTAN RAJA, B.Com.,

Shri P.J. ALAGA RAJA, B.A.B.L.,

Justice Shri P.P.S. JANARTHANA RAJA, B.L.,

Shri V. SANTHANARAMAN, B.Com. C.A.I.I.B.,

Shri P.J. RAMKUMAR RAJHA, B.Com.,

Shri P.A.B. RAJU, B.A.,

Chief Financial Officer
Shri P.R. Ramasubramanian

Company Secretary
Shri A. Emarajan

Registered Office
The Ramaraju Surgical Cotton Mills Premises,
Post Box No. 2,
119, P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117.
Tamil Nadu.
E-mail : rscm@ramcotex.com
Phone : 04563-235904
Fax : 04563-235714
Website: www.ramarajusurgical.com

Corporate Identification Number :
U17111TN1939PLC002302

Factories
Surgical Division
1. Rajapalaiyam
2. Perumalpatti

Spinning Division
Sudarsanam Spinning Mills
1. Rajapalaiyam
2. Silvassa
3. Subramaniapuram
4. Thirumalagiri Village, AP.

Fabric Division
Sudarsanam Fabrics, Perumalpatti

Bankers

Canara Bank

IDBI Bank Limited

Indian Bank

State Bank of India

Tamilnad Mercantile Bank Limited

The Karur Vysya Bank Limited

Auditors
M/s. N.A. Jayaraman & Co.,
Chartered Accountants,
9, Ceder Wood, 11, 4th Main Road,
Raja Annamalaipuram,
Chennai - 600 028.

Secretarial Auditor
Shri M.R.L. Narasimha,
Practising Company Secretary,
New No. 8 (Old No. 34-C),
Third Cross, Ramalinga Nagar,
K.K. Pudur, Coimbatore - 641 038.

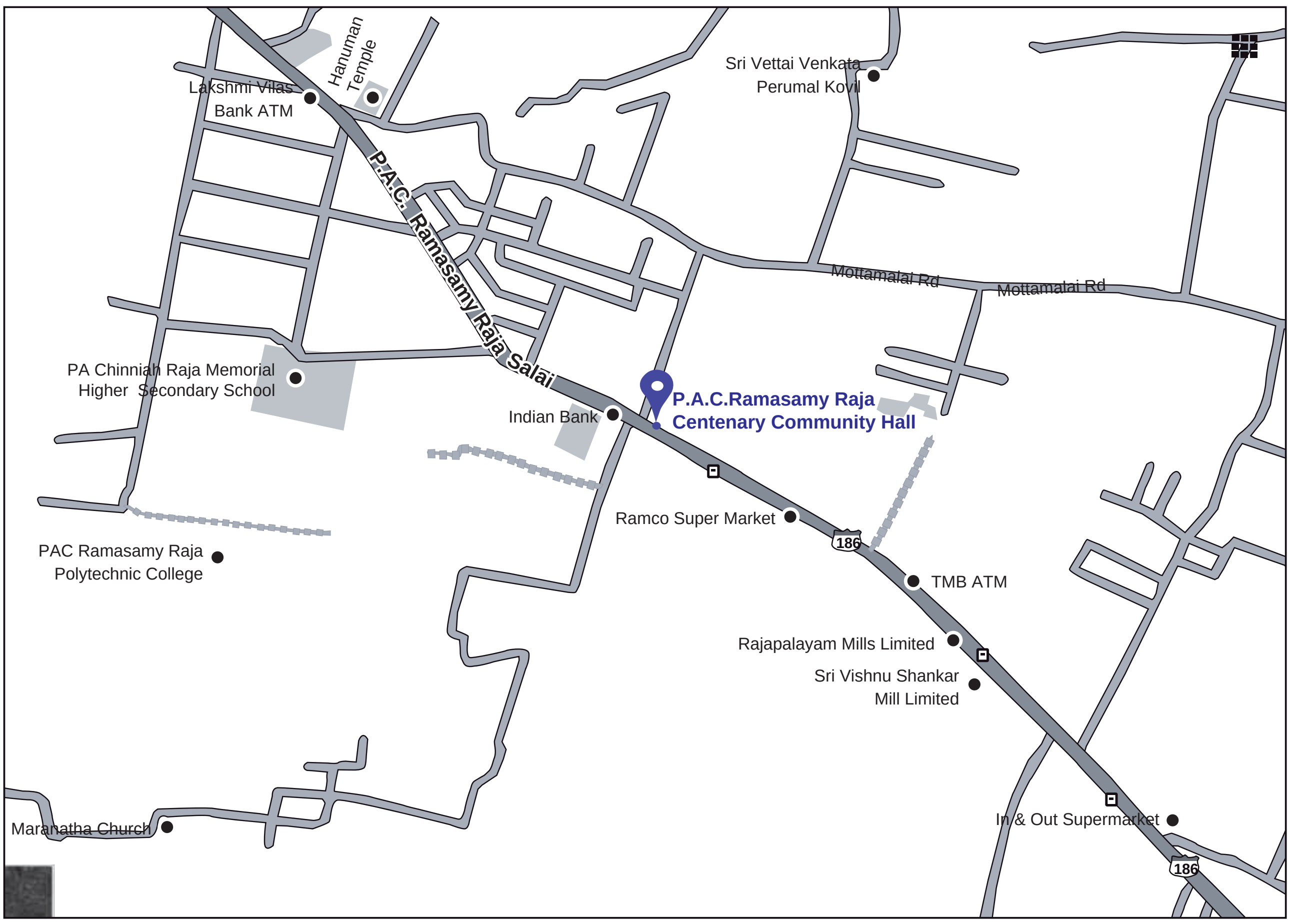
Cost Auditor
Shri M. Kannan,
IV-B, Akshaya Homes,
9B-20, Tagore Nagar,
Bharathiyar 4th Street,
S.S. Colony,
Madurai - 625 016.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

CONTENTS

Map Showing location of venue of 79th Annual General Meeting

Venue Address: P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu



Land Mark: Near Indian Bank, P.A.C.R. Polytechnic College Branch

Distance from Rajapalayam Bus Stand : 3.5 KM; Distance from Rajapalayam Railway Station : 3.9 KM

NOTICE TO THE MEMBERS

Notice is hereby given that the 79th Annual General Meeting of the Company will be held at 09.30 A.M. on Wednesday, the 14th August, 2019 at P.A.C.Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

   "RESOLVED that the Company's Separate and Consolidated Audited Financial Statements for the year ended 31st March, 2019, and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

   "RESOLVED that Shri P.R. Venketrama Raja (DIN: 00331406), who retires by rotation, be and is hereby re-appointed as Director of the Company."

3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

   "RESOLVED that Shri N.K. Shrikantan Raja (DIN: 00350693), who retires by rotation, be and is hereby re-appointed as Director of the Company."

SPECIAL BUSINESS

4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

   "RESOLVED that pursuant to Sections 196, 197 and 203 and other applicable provisions and the Rules thereunder, read with Schedule V of the Companies Act, 2013, approval of the Company be and is hereby accorded to the appointment of Smt. Nalina Ramalakshmi (DIN: 01364161) as Managing Director of the Company for a period of 3 years with effect from 01-04-2020, at a remuneration equivalent to 5% of the net profits of the Company.

   RESOLVED FURTHER that where in any financial year during the currency of her tenure, the Company has no profits or inadequate profit, Smt. Nalina Ramalakshmi, Managing Director shall be paid remuneration as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 along with the following perquisites.

   i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

   ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

   iii. Encashment of leave at the end of the tenure and other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that the Nomination and Remuneration Committee be and is hereby authorised to fix the components, quantum and periodicity of the remuneration payable to the Managing Director subject to the aforementioned limits.

RESOLVED FURTHER that the remuneration aforesaid shall be exclusive of any fee paid for attending Meetings of the Board or any Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013."

5. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri P.A.B. Raju (DIN: 08239261), appointed as an Additional Director of the Company on 29-09-2018 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Shri P.A.B. Raju, for the office of Director, be and is hereby appointed as a Director of the Company, under Independent Director category for a period of 5 consecutive years from the date of his appointment, viz. 29-09-2018.

RESOLVED FURTHER that pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015, Shri P.A.B. Raju, who will attain the age of 75 years on 14-06-2019, shall continue to occupy the position of Independent Director of the Company."

6. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹1,30,000/-(Rupees One Lakh Thirty Thousand Only) plus applicable taxes and Out-of-pocket expenses payable to Shri M. Kannan, Cost Accountant (Firm Registration No. 102185) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2019-20 for auditing the Cost Records relating to manufacture of textile and pharmaceutical products, be and is hereby ratified and confirmed."

By Order of the Board,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013 [Act], setting out the material facts concerning each item of Special Business is annexed hereto.

2. **A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**

3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total Share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable. Attendance Slip is enclosed. Members, Proxies and Authorised Signatories are requested to bring the duly filled-in and signed, attendance slips to the Meeting.

4. The cut-off date will be Friday, the 9th August, 2019 for determining the eligibility to vote by remote e-voting or in the General Meeting.

5. Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/unpaid dividends lying with the Company on the website of the Company (**www.ramarajusurgical.com**), as also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund.

   The details of due dates for transfer of such unclaimed dividend to the said Fund are:

Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming Unpaid Dividend	Due Date for transfer to IEP Fund
31-03-2013			
Interim Dividend	22-02-2013	21-02-2020	21-03-2020
Final Dividend	01-08-2013	31-07-2020	29-08-2020
31-03-2014	04-08-2014	03-08-2021	01-09-2021
31-03-2015	12-08-2015	11-08-2022	09-09-2022
31-03-2016 Interim Dividend	14-03-2016	13-03-2023	11-04-2023
31-03-2017	10-08-2017	09-08-2024	07-09-2024
31-03-2018	10-08-2018	09-08-2025	07-09-2025

6. In accordance with Section 125(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividends lying with the Company for a period of over 7 years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

7. In accordance with Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at www.ramarajusurgical.com and www.iepf.gov.in.

8. Electronic copy of the Notice for the Annual General Meeting together with the Annual Report for 2018-19 is being sent to all the members whose E-Mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report is being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - www.ramarajusurgical.com for their download.

9. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, who have not got their E-Mail IDs recorded are requested to register their E-Mail address and changes therein with the Company in respect of physical Shares and with Depository Participants in respect of dematerialised Shares. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Company / Depository Participants.

10. A Route map with prominent land mark for easy location of the venue of the meeting is given with this notice as per requirement of Clause No. 1.2.4. of the Secretarial Standard - 2 on "General Meetings".

11. Voting through electronic means:

    A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [LODR] the Company is providing members remote e-Voting facility to exercise their right to vote at the 79th Annual General Meeting (AGM) and the business may be transacted through such voting, through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

B. The facility for voting, either through electronic voting system or ballot shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

C. The members who have cast their vote by remote e-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-Voting are as under:

i) To log on to the e-voting website www.evotingindia.com

ii) To Click on Shareholders tab.

iii) Now enter your User ID as given below:

- For CDSL: 16 Digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding Shares in Physical Form should enter Folio Number registered with the Company.

iv) Next enter the Captcha Code as displayed and Click on Login.

v) PASSWORD

- If you are holding Shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- If you are first time user follow the steps given below:

(a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders).

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio No. / Client ID in the PAN field.

In case the Folio No. is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Eg. If your name is A.Raja with folio number 1 then enter AR00000001 in the PAN Field.

(b) Please enter any one of the following details in order to login:

Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company records in dd/mm/yyyy format.

Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the company records.

If both of the above details are not recorded with the depository or Company, please enter the User ID / Folio No [mentioned in (iii) above] in the Dividend Bank details field.

vi) Members holding Shares in physical form will then directly reach the Company selection screen. However, members holding Shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to Share your password with any other person and take utmost care to keep your password confidential.

vii) For members holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

viii) Click on the relevant EVSN for THE RAMARAJU SURGICAL COTTON MILLS LIMITED on which you choose to vote.

ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.

xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiii) You can also take a print of the voting done by you clicking on "Click here to Print" option on the Voting page. It need not be sent to the Company.

xiv) If demat account holder has forgotten the changed password then Enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.

xv) Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to https://www.evotingindia.com and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdek.evoting@cdslindia.com. After receiving the login details of a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

D. The facility for remote e-voting shall remain open from 9.00 A.M. on Sunday, the 11th August, 2019 to 5.00 P.M. on Tuesday, the 13th August, 2019. During this period, the Members of the Company, holding Shares either in physical form or in dematerialised form, as on the cut-off-date, viz., Friday the 9th August, 2019, may opt for remote e-voting. E-Voting shall not be allowed beyond 5.00 P.M. on 13th August 2019.

E. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

F. The voting rights of Shareholders shall be in proportion to the Shares held by them in the paid up equity Share Capital of the Company as on Friday, the 9th August, 2019.

G. Shri R. Palaniappan, Chartered Accountant (Membership No: 205112), Partner, M/s. N.A. Jayaraman & Co., Chartered Accountants, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

H. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-Voting facility.

I. The Scrutinizer shall immediately after conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting there after unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

By Order of the Board,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Smt. Nalina Ramalakshmi (DIN: 01948373) was first appointed as Managing Director of the Company on 12.08.2005. At that time the net worth of the Company was ₹ 13.92 Crores and Turnover was ₹ 61.92 Crores. The Company's net worth has increased to ₹ 63.28 Crores as on 31-03-2019 with the Total Revenue of Rs.256.14 Crores for the financial year 2018-19.

Smt. Nalina Ramalakshmi was reappointed as Managing Director of the Company by the Board of Directors at their meeting held on 28-05-2019, subject to the approval of the Shareholders at the Annual General Meeting, for a further period of 3 years from 01-04-2020 to 31-03-2023 in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies Act, 2013 on the following terms of remuneration.

Terms of Remuneration:

In case of adequate profits

5% of the Net profits of the Company calculated as per Section 198 of the Companies Act, 2013.

In case of no profits (or) inadequate profits

Smt. Nalina Ramalakshmi, Managing Director shall be paid remuneration as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 along with the following perquisites:

(i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax, Act, 1961;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

(iii) Encashment of leave at the end of the tenure and other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013

Remuneration aforesaid shall be exclusive of Sitting fees for attending Meetings of the Board or any Committee thereof.

The remuneration proposed is as per Schedule V of the Companies Act, 2013. The reappointment is being considered for a period of 3 years and proposed to be approved at this meeting by way of passing Ordinary Resolution.

The proposed reappointment and the payment of remuneration have also been approved by the Nomination and Remuneration Committee and Audit Committee at its meeting held on 27-05-2019.

The reappointment and the remuneration proposed fulfill the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required.

Smt. Nalina Ramalakshmi holds 14,91,860 equity shares in The Ramaraju Surgical Cotton Mills Limited.

Smt. Nalina Ramalakshmi is a Director in the following Companies / Limited Liability Partnership.

Public Limited Companies

S.No	Name of the Company	Designation
1.	Sri Harini Textiles Limited	Director
2.	Shri Harini Media Limited	Director

Private Limited Companies

S.No	Name of the Company	Designation
1.	Nalina Agricultural Farms Private Limited	Director
2.	Sri Nithyalakshmi Farms Private Limited	Director

LLP

S.No	Name of the Company	Designation
1.	Gowrihouse Metal Works LLP	Designated Partner

None of the Directors and Key Managerial Personnel except Smt. Nalina Ramalakshmi as an appointee, Shri P.R. Venketrama Raja, Chairman and Shri N.R.K. Ramkumar Raja, Managing Director as relatives to the Managing Director may be deemed to be concerned or interested in the Resolution.

General Information as per sub-clause (iv) of second proviso to Clause (B) of Section II of Part II of Schedule V.

I. General Information

1	Nature of Industry	Textiles & Surgical Dressings
2	Date of Commencement of Business	20-02-1939
3	Financial performance based on given indicators	

Year	Total Revenue (₹ in Crores)	Net Profit / (Loss) after Tax (₹ in Crores)	Dividend Per Share (₹)
2018-19	256.14	(7.95)	Nil
2017-18	264.80	(1.33)	0.50
2016-17	244.31	4.16	0.50

4	Foreign Investments or collaborations, if any	NIL

II. Information about the appointee:

1	Background Details	Smt. Nalina Ramalakshmi is a Promoter and Managing Director.
2	Past Remuneration	The shareholders of the Company has approved the remuneration of 5% of the net profits of the Company and in case of no profit or inadequate profits, Smt. Nalina Ramalakshmi shall be paid remuneration as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 along with the perquisites. As per Schedule V, in case of no profits or inadequate profits, the Managing Director was eligible for a minimum remuneration of ₹ 240 Lakhs per annum, but the Company has paid the remuneration of ₹ 120 Lakhs per annum.
3	Recognition or awards	–
4	Job profile and her suitability	Overall in-charge of the affairs of the Company. She is a B.Sc., M.S.C.S graduate and has vast experience in the Management of the affairs of the Company. The Company has grown well under her management.
5	Remuneration proposed	5% of the net profits of the Company . In case of no profit or inadequate profit, Smt. Nalina Ramalakshmi shall be paid remuneration as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013. She will also be entitled for sitting fees for meetings of the Board or its Committees will be attended by her.
6	Comparative Remuneration profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person.
7	Relationship with managerial personnel	She is related to Shri P.R. Venketrama Raja, Chairman and Shri N.R.K. Ramkumar Raja, Managing Director of the Company. She has no pecuniary relationship other than the remuneration, she is entitled to receive. Her transactions with the Company are disclosed under "Related Party Transactions" in Note No. 45.

III. Other Information:

1	Reasons of loss or inadequate profits	The Company has been earning profits except for the financial year 2017-18 and 2018-19. The Government has implemented the GST with effect from 01-07-2017 had effected offtake of the yarn in the first quarter of financial year 2017-2018. Also, subdued export demand and sluggishness in domestic market for yarn, the Company was not able to increase the yarn prices in line with the increase in raw material cost. During the financial year 2018-19, yarn prices in domestic markets were stagnant inspite of higher cotton prices. The Company has decided to close the Silvassa unit due to increase in cotton price, power cost, administrative overheads, absence of skilled labour, continuous loss in the previous financial years, adverse market condition and admitted its loss in the books of the Company.
2	Steps taken or proposed to be taken for improvement	Cost Control Measures
		Supplying superior quality of yarn Increasing the Sales
		Aggressive Marketing of Products
3	Expected increase in productivity and profits in measurable terms	The turnover of the Company is expected to increase from the last year level of ₹ 252.68 Crores during the current financial year 2019-20. The profitability of the Company is also expected to increase from the last year loss of ₹ 7.95 Crores.

IV. Other Disclosures:

As required, the information are provided under Corporate Governance Section.

The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of the SEBI (LODR) Regulations, 2015.

Item No.5

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, through Circular Resolution had appointed Shri P.A.B. Raju (DIN: 08239261) as Additional Director of the Company with effect from 29th September, 2018, under Independent Director Category.

Shri P.A.B. Raju, aged 74, holds a graduate in B.A (Economics). He has the experience of 48 years in business activity. He is an executive member of Rajapalayam Chamber of Commerce. He is an Ex-Director of Bhoopathi Raja Co-operative Credit Bank Limited, Rajapalayam. He was elected as District Governor of Lions International in the year 1991-92.

In terms of Section 161(1) of the Companies Act, 2013, Shri P.A.B. Raju holds Office as Additional Director upto the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the appointment of Shri P.A.B. Raju as a Director.

Shri P.A.B. Raju is proposed to be appointed as an Independent Director for 5 consecutive years from the date of his appointment. He has furnished a declaration pursuant to Section 149(6) of the Companies Act, 2013 that he meets the criteria of independence and hence eligible for appointment as an Independent Director. In the opinion of the Board, Shri P.A.B. Raju fulfills the conditions specified in the Act and the Rules made thereunder and that he is Independent of the Management.

Shri P.A.B. Raju will attain the age of 75 years on 14-06-2019. In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, the appointment and continuing the appointment of Shri P.A.B. Raju as an Independent Director of the Company beyond 14-06-2019 requires the approval of the members by way of Special Resolution. Hence, this appointment has been included as a Special Resolution.

He holds no shares in The Ramaraju Surgical Cotton Mills Limited.

The notice received under Section 160 of the Companies Act, 2013 would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

The draft letter of appointment for Shri P.A.B. Raju as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board of Directors is of the opinion that his vast knowledge and experience will be of great value to the Company and hence recommends the Resolution for the approval of the Members.

The Notice and this statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (LODR) Regulations, 2015.

Disclosure of Interest:

Except Shri P.A.B. Raju, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

Item No.6

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture of Textile and Pharmaceutical Products for the financial year 2019-20.

On the recommendation of the Audit Committee at its meeting held on 27-05-2019, the Board had approved the appointment of Shri M. Kannan, Cost Accountant as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of Textile and Pharmaceutical Products at a remuneration of ₹ 1,30,000/- (Rupees One Lakhs Thirty Thousand Only) plus applicable taxes and out-of-pocket expenses for the financial year 2019-20.

The remuneration of the cost auditor is required to be ratified by the Members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

By Order of the Board,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

1. SHRI P.R. VENKETRAMA RAJA

Shri P.R. Venketrama Raja (DIN: 00331406), aged 60, has a Bachelor Degree in Chemical Engineering from University of Madras and Master in Business Administration from University of Michigan, USA.

He has been on the Board of The Ramaraju Surgical Cotton Mills Limited since 1992.

He holds 5,400 Equity Shares in the Company as on 31-03-2019.

He is the brother of Smt. Nalina Ramalakshmi, Managing Director of the Company.

He is also a Director in the following Companies:-

1. The Ramco Cements Limited
2. Ramco Systems Limited
3. Ramco Industries Limited
4. Rajapalayam Mills Limited
5. Sri Vishnu Shankar Mills Limited
6. Sandhya Spinning Mill Limited
7. Sri Sandhya Farms (India) Private Limited
8. Ramco Systems Corporation - USA
9. Ramco Systems Limited, Switzerland
10. Ramco Systems Sdn Bhd., Malaysia
11. Ramco Systems Pte. Ltd., Singapore
12. Sri Ramco Lanka (Private) Limited - Sri Lanka
13. Sri Ramco Roofings Lanka Private Limited - Sri Lanka
14. RCDC Securities and Investments Private Limited
15. Nirmala Shankar Farms & Estates Private Limited
16. Ram Sandhya Farms Private Limited
17. RSL Enterprise Solutions (Pty) Limited, South Africa
18. Ramco Systems Canada Inc., Canada
19. Rajapalayam Textiles Limited
20. Ramco Systems FZ-LLC, Dubai
21. Ramco Systems Australia Pty Limited, Australia
22. Ramamandiram Agricultural Estate Private Limited
23. Lynks Logistics Limited
24. Ramco Agencies Private Limited
25. Ramamandiram Management Consultancy Private Limited
26. Rajapalayam Chamber of Commerce and Industry
27. Ramco Management Private Limited

He is also a Member in the following Committees:

No.	Name of the Company	Name of the Committee	Position Held (Chairman / Member)
1.	The Ramco Cements Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Member
		Corporate Social Responsibility Committee	Member
		Nomination and Remuneration Committee	Member
		Risk Management Committee	Member
2.	Rajapalayam Mills Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
3.	Ramco Industries Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Risk Management Committee	Chairman
		Audit Committee	Member
4.	Ramco Systems Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Allotment Committee	Member
		Fund Raising Committee	Member
5.	The Ramaraju Surgical Cotton Mills Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
6.	Sandhya Spinning Mill Limited	Corporate Social Responsibility Committee	Member
7.	Sri Vishnu Shankar Mills Limited	Corporate Social Responsibility Committee	Chairman
		Share Transfer Committee	Chairman

2. SHRI N.K. SHRIKANTAN RAJA

Shri N.K. Shrikantan Raja (DIN: 00350693), aged 71 years, has Bachelor Degree in Commerce. He has been on the Board of The Ramaraju Surgical Cotton Mills Limited since 2002.

He holds 11,920 shares in the Company as on 31-03-2019.

He is also a Director in the following Companies:-

1. Ramco Industries Limited
2. Sandhya Spinning Mill Limited
3. Sri Harini Textiles Limited
4. Sri Vishnu Shankar Mills Limited
5. Sudharsanam Investments Limited
6. Sri Yannarkay Servicers Limited
7. N.R.K. Infra System Private Limited
8. Vinvent Chemilab Private Limited

He is also a Member in the following Committees::

No.	Name of the Company	Name of the Committee	Position Held (Chairman / Member)
1.	The Ramaraju Surgical Cotton Mills Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
		Stakeholders Relationship Committee	Member
		Sale Committee - Silvassa Division	Member
2.	Ramco Industries Limited	Nomination and Remuneration Committee	Member
		Stakeholders Relationship Committee	Member

No.	Name of the Company	Name of the Committee	Position Held (Chairman / Member)
3.	Sri Vishnu Shankar Mills Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Chairman
		Corporate Social Responsibility Committee	Member
		Share Transfer Committee	Member
4.	Sandhya Spinning Mill Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Chairman
		Corporate Social Responsibility Committee	Member
		Stakeholders Relationship Committee	Chairman
		Share Transfer Committee	Member
5.	Sri Harini Textiles Limited	Share Transfer Committee	Member

TO THE MEMBERS

Your Directors have pleasure in presenting their 79th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2019.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2019 after charging all expenses and contribution to Ramaraju Memorial Fund of ₹ 500 (which is the minimum amount of contribution laid in the Articles of Association) but before deducting finance cost and depreciation have resulted in operating profit (EBITDA) of ₹ 3,199.85 Lakhs as against ₹ 3,481.53 Lakhs for the previous financial year 2017-18.

After deducting ₹ 2,655.45 Lakhs towards finance cost and providing ₹ 1,529.18 Lakhs towards Depreciation, the Net Loss and Other Comprehensive Income After Tax for the year is ₹ 733.76 Lakhs as compared to ₹ 105.23 Lakhs of the previous financial year 2017-18.

SHARE CAPITAL

The Paid-up Capital of the Company is ₹ 394.66 Lakhs (Previous Year: ₹ 394.66 Lakhs) consisting of 39,46,560 Equity Shares of ₹ 10/- each.

DIVIDEND

Your Directors have not recommended any dividend for the year due to loss incurred by the Company in connection with closure of Silvassa unit and admitting its loss in the books of the Company.

TAXATION

An amount of ₹ 159 Lakhs towards Deferred Tax has been withdrawn for the year 2018-19.

MANAGEMENT DISCUSSION AND ANALYSIS

TRADE CONDITIONS

Spinning Division

In India, cotton production was estimated at 325 Lakhs bales during cotton season 2018-19 (October to September) as against 365 Lakhs bales during the previous year, a drop in production of 11% due to erratic monsoon in cotton growing area and reduced yield. The cotton production in India is continuously declining from the peak production of 400 Lakhs bales produced during the cotton season 2013-14. The current year's cotton crop is the lowest production in the last 10 years. The Government of India has increased the Minimum Support Price (MSP) for cotton by more than 25% during the year under review. The lower production coupled with increased MSP has resulted in spike in cotton prices and Mills were forced to buy good quality cotton at higher prices.

The depreciation of Rupee against US-Dollar has made the import of cotton very expensive. The waste cotton prices (raw material for Open End Spinning) has prevailed at reasonable level.

The Company has judiciously procured high quality cotton by closely monitoring the demand and supply situation and also the price movements in domestic and international cotton markets.

The Company is now focusing on production of customized, fine / super fine yarn to get better contribution.

The sale volume has decreased in line with accumulation of stock during the financial year 2018-19 and it was 53.55 Lakh Kgs as compared to 73.44 Lakhs Kgs of last year.

The Company was able to attract more customers from overseas market and continues to have a good demand from International customers on account of supply of consistent and superior quality of yarn. Due to good demand for our cotton yarn in export markets, yarn prices in exports in dollar terms have improved during the financial year 2018-19. However, yarn prices in domestic yarn markets were stagnant inspite of higher cotton prices. Reduced consumption of yarn in India, due to import of fabric which was grown by 20% during the year 2018-19 coupled with excess spinning capacity has created over supply situation for yarn and hence the Mills were not able to pass on the increased cost of production in the yarn prices.

Surgical Division

The Surgical Division manufactures and distributes "Surgicom" branded absorbent cotton wool, gauze, bandages and other wound-care products to hospitals, pharmacies and retail outlets. Over the past 7 decades we have provided quality products on-time earning us the strong reputation in the market. We are constantly implementing process improvements to control costs. This division provides the company with stable sales and margin number despite rising operational costs. We continue to give added attention to our effluent treatment and maintain a zero-liquid-discharge decree.

Fabrics Division

The unit is installed with the state of the art equipment for the entire yarn to fabric cycle comprising of warping, sizing and Airjet looms. During the year, the Company has successfully completed its expansion and increased the total looms capacity to 132 along with the 1-wider width sizing unit and 2 warping machines. After expansion, the turnover of the Company has been increased to ₹ 90.73 Crores as against ₹ 58.85 Crores of the previous year.

WIND MILL

The Company has wind mills with installed capacity of 8.30 MW for its captive power consumption.

The wind farm has generated 144.22 Lakhs Kwh as compared to 162.57 Lakhs Kwh of the previous year. The wind availability / velocity during the financial year 2018-19 were low as compared to the financial year 2017-18. All the Units generated by wind mills were adjusted for captive consumption at our Mills in Tamil Nadu. The income during the year from the Wind Mill Division was ₹ 9.61 Crores as against ₹ 10.84 Crores of previous year.

EXPORTS

On the export front during the year, we have made export of Cotton Yarn and Grey Fabrics (including merchant exports) for a value of ₹ 61.49 Crores as against ₹ 44.51 Crores of the previous year.

MODERNISATION / EXPANSION

As a part of continuous thrust on modernization and expansion programme, the Company has invested about ₹ 3.94 Crores in textile machinery & equipments like Ring Frame Individual Spindle Monitoring System and Doffing Trollies for OE Machine.

KEY FINANCIAL RATIOS

Pursuant to Schedule V(B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the year 2018-19 are given below:

S.No.	Particulars	31-03-2019	31-03-2018	Formula adopted
1	Debtors Turnover Ratio (Days)	42	28	365 Days / (Net Revenue / Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	111	119	365 Days / (Net Revenue / Average Inventories)
3	Interest Coverage Ratio	0.60	0.82	(Profit Before Tax + Interest)/ (Interest + Interest Capitalised)
4	Current Ratio	0.93	0.75	Current Assets / (Total Current Liabilities - Other Financial Liabilities - Current maturities of Long Term Debt)
5	Debt - Equity Ratio	4.57	3.65	Total Debt / Total Equity
6	Operating Profit Margin	13%	13%	EBITDA / Net Revenue
7	Net Profit Margin	3%	1%	Net Profit / Net Revenue
8	Return on Networth	-2%	0%	Total Comprehensive Income / Average Net worth
9	Total Debt / EBITDA	9.05	7.43	Total Debt / EBITDA
10	Return on Capital Employed	6%	6%	(TCI + Interest)/ (Average of Equity plus Total Debt)

Notes: a) For serial no. 3, 5, 7 and 8 there have been significant change (ie., 25% or more) in the ratios compared to previous year. The same is due to increase in debt for expansion of Weaving Division.

b) For serial no. 1 there have been significant change (ie., 25% or more) in the ratio compared to previous year due to increase in credit period in order to maintain Market Share.

c) EBITDA denotes Profit Before Tax + Interest + Depreciation.

PROSPECTS FOR THE CURRENT YEAR

Indian cotton prices are likely to remain firm on account of a tight supply situation, less availability of good quality cotton, crop damages etc. The Company is focusing on sourcing the raw materials across the globe at a competitive price and production of more value added yarn with contamination free cotton. The Company has developed strong customer base and also strengthened its infrastructure to manufacture any kind of yarn demanded by the customers to mitigate the risk of fluctuating yarn and cotton prices. The consistent growth of import volume of fabric into India is a major concern for spinning mills in India as it reduces the domestic demand for yarn.

The Company is concentrating on modernizing the machineries to further improve quality and cost effective production.

SALE OF SILVASSA UNIT

The Shareholders of the Company through postal ballot has provided their approval on 05-01-2019. The Company has transferred portion of the machines installed at Silvassa to the parent unit located at Rajapalayam due to better control on operation costs. After transferring the machines, the Company has initiated the process of disposing the residual machines, land & building of Silvassa Unit.

CREDIT RATING

The Company's bank borrowings have been rated by M/s. CRISIL Limited and the ratings has been upgraded during the financial year 2018-19 for long term and short term borrowings as detailed below:

Long Term Rating	BBB+/Stable (upgraded from BBB / Stable)
Short Term Rating	A2 (upgraded from CRISIL A3+)

ASSOCIATE COMPANY

During the year under review, the following Companies have ceased to be an Associates consequent to review by the Board based on existence of voting power and significant influence in accordance with Ind AS - 28:

1. M/s. Ramco Industrial and Technology Services Limited (Changed its name from M/s. Ontime Industrial Services Limited)
2. M/s. Ramco Windfarms Limited

After the above reclassification, the Company now has 7 Associate Companies viz., M/s. The Ramco Cements Limited, M/s. Ramco Industries Limited, M/s. Ramco Systems Limited, M/s. Rajapalayam Mills Limited, M/s. Sri Vishnu Shankar Mills Limited, M/s. Sri Harini Textiles Limited and M/s. Shri Harini Media Limited.

In accordance with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's Associates' is attached in Form AOC-1 as Annexure - I.

CONSOLIDATED FINANCIAL STATEMENTS

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Companies are required to prepare consolidated financial statements of its Subsidiaries and Associates to be laid before the Annual General Meeting of the Company.

Accordingly, the consolidated financial statements incorporating the accounts of Associate Companies, viz. M/s. The Ramco Cements Limited, M/s. Ramco Industries Limited, M/s. Ramco Systems Limited, M/s. Rajapalayam Mills Limited, M/s. Sri Vishnu Shankar Mills Limited, M/s. Sri Harini Textiles Limited and M/s. Shri Harini Media Limited along with the Auditors' Report thereon, forms part of this Annual Report. As per Section 136(1) of the Companies Act, 2013, the financial statements including consolidated financial statements are available at the Company's website at the following link at www.ramarajusurgical.com.

The consolidated net loss after tax of the Company amounted to ₹ 26.08 Lakhs for the year ended 31st March 2019 as against the Net Profit after tax of ₹ 886.12 Lakhs of the previous year.

The consolidated Total Comprehensive Income for the year under review is ₹ 31.62 Lakhs as compared to ₹ 912.47 Lakhs of the previous year.

INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. ERP System developed by M/s. Ramco Systems Limited has been installed for online monitoring of all functions and management information reports are being used to have better internal control system and to take decisions in time.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website. The Policy provides the mechanism for the receipt, retention and treatment of complaints and to protects the confidentiality and anonymity of the stakeholder. The complaints can be made in writing to be dropped into Whistle Blower Drops Boxes or through E-mail to dedicated mail IDs. The corporate Ombudsman shall have the sole access to these. The Policy provides to the complaint access to the Chairman of the Audit Committee. The web link for the Vigil Mechanism is disclosed in the Corporate Governance Report.

DIRECTORS

Shri N.R.K. Ramkumar Raja was reappointed as Managing Director of the Company for a period of three years starting from 14-02-2019 to 13-02-2022 at the Annual General Meeting held on 10-08-2018. Based on the recommendation of the Nomination and Remuneration Committee made at its meeting held on 28-05-2018, the Board of Directors at their meeting held on 29-05-2018 and the Shareholders at the 78th Annual General Meeting held on 10th August, 2018 have approved appointment of Shri N.R.K. Ramkumar Raja as Managing Director for a further period of 3 years starting from 14-02-2019.

Smt. Nalina Ramalakshmi was reappointed as Managing Director of the Company for a period of 3 years with effect from 01-04-2017 to 31-03-2020 at the Annual General Meeting (AGM) held on 10-08-2016. Based on the recommendation of the Nomination and Remuneration Committee and Audit Committee made at its meeting held on 27-05-2019, the Board of Directors at their meeting held on 28-05-2019 have reappointed her as Managing Director for a further period of 3 years starting from 01-04-2020. Approval of the Members has been sought for her reappointment in the Notice convening the AGM.

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, the following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment.

1. Shri P.R. Venketrama Raja, (DIN: 00331406)
2. Shri N.K. Shrikantan Raja, (DIN: 00350693)

The following Directors have been reappointed as Independent Directors for another term of 5 years at the Annual General Meeting held on 10th August, 2018:

1. Shri P.J. Alaga Raja (DIN: 00446057) - 01-04-2019 to 31-03-2024.
2. Justice Shri P.P.S. Janarthana Raja (DIN: 06702871) - 25-05-2019 to 24-05-2024.
3. Shri V. Santhanaraman (DIN: 00212334) - 25-05-2019 to 24-05-2024.
4. Shri P.J. Ramkumar Rajha (DIN: 00487193) - 25-05-2019 to 24-05-2024.

The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. No Independent Director has retired during the year.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Shri P.A.B. Raju (DIN: 08239261) has been co-opted on 29-09-2018 as an Additional Director. He will hold the office till the date of the forthcoming Annual General Meeting. A Notice in writing has been received from a Member signifying his intention to propose the appointment of Shri P.A.B. Raju as Director at the Annual General Meeting.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year.

The Audit Committee has four members, out of which three are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178 (3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved the Remuneration Policy, relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees.

As per Provision to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management shall be appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee and this Policy shall be in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The web address of the Policy is at www.ramarajusurgical.com/reports/Nomination-and-Remuneration-Policy.pdf.

EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, and Regulation 25(4) of SEBI (LODR) Regulations, 2015, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

Pursuant to Schedule II, Part D of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent

Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

Pursuant to 17(10) of SEBI (LODR) Regulations, 2015, the Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

Pursuant to Regulation 4(f)(2)(ii) of SEBI (LODR) Regulations, 2015, the Board of Directors have reviewed and observed that the evaluation framework of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year under review were similar to their observations for the previous year. No specific actions have been warranted based on current year observations. The Company would continue to familiarize its Directors on the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

MEETINGS

During the year, four Board Meetings were held. The details of the Meeting of the Board and its various Committees are given in the Corporate Governance Report.

SECRETARIAL STANDARD

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirms that the Company has complied with applicable Secretarial Standards.

PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v)& (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. There was no outstanding of deposits as on 31-03-2019 (Previous year: NIL). The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

The Company has received a sum of ₹ 505 Lakhs from Directors as deposit / loan during the financial year 2018-19. It has repaid an amount of ₹ 811 Lakhs during the year 2018-19. The loans from Directors are not treated as deposits under Chapter V of the Companies Act, 2013.

ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013, it is reported that:

(a) the Company has not given any loans or guarantees during the year 2018-19 under Section 186 of the Companies Act, 2013.

(b) the particulars of the investments are provided under Note No.9 of Notes to seperate financial statements.

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organization grows, the Society and Community around it also grows."

The Company has undertaken various projects in the areas of education, healthcare, promotion and development of traditional arts etc., in accordance with Schedule VII of the Companies Act, 2013.

Your Directors are pleased to inform that the Company has fulfilled its CSR obligations pursuant to Section 135(5) of the Companies Act, 2013. As against the requirement of ₹ 10.88 Lakhs, the Company has spent ₹ 12.26 Lakhs on CSR during the year 2018-19. Also, the Company has incurred a Floor Relief Expenditure of ₹ 6.21 Lakhs during the year under review.

The CSR policy is available at the Company's website at the following link at www.ramarajusurgical.com/reports/corporate-social-responsibility-policy.pdf.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure - II.

AUDITS

STATUTORY AUDIT

M/s. N.A. Jayaraman & Co., Chartered Accountants (FRN: 001310S), are the Statutory Auditors of the Company.

At the 77th Annual General Meeting, the above Auditors have been appointed as statutory auditors for a period of 5 consecutive years commencing from the financial year 2017-18 and hold office from the conclusion of 77th Annual General Meeting till the conclusion of 82nd Annual General Meeting to be held in the year 2022.

As required under Regulation 33(1)(d) of SEBI (LODR) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The report of the Statutory Auditors for the year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditors under Section 143(12) of Companies Act, 2013.

SECRETARIAL AUDIT

Shri M.R.L. Narasimha, a Practicing Company Secretary is the Secretarial Auditor of the Company. Pursuantto Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditor for the year ended 31st March 2019 is attached as Annexure - III. The report does not contain any qualification, reservation or adverse remark.

COST AUDIT

The Company is required to maintain the accounts and records which have been specified by the Central Government under Section 148(1) of the Act as cost records and accordingly such accounts and records are made and maintained by the Company.

The Board of Directors had approved the appointment of Shri M. Kannan, Cost Accountant as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of textile and pharmaceutical products for the year 2019-20, at a remuneration of ₹ 1.30 Lakhs plus applicable taxes and out-of-pocket expenses.

The remuneration of the cost auditor is required to be ratified by the Shareholders in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2017-18 is due to be filed Ministry of Corporate Affairs by 30-09-2018 had been filed on 07-09-2018.

The Cost Audit Report for the financial year 2018-19 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure - IV.

EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached herewith as Annexure - V.

In accordance with Section 134(3)(a) of the Companies Act, 2013, the Company placed a copy of the annual return on its website at www.ramarajusurgical.com.

CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015. As required under Schedule V(C) of SEBI (LODR) Regulations, 2015 a Report on Corporate Governance being followed by the Company is attached as Annexure - VI. As required under Schedule V(E) of SEBI (LODR) Regulations, 2015 a Certificate from the Auditors confirming compliance is also attached as Annexure - VII to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure- VIII.

INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 1,895 employees as on 31-03-2019. Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment.

RELATED PARTY TRANSACTION

Prior approval / Omnibus approval is obtained from the Audit Committee for all related party transactions and the transactions are periodically placed before the Audit Committee for its approval. No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of SEBI (LODR) Regulations, 2015. In accordance with Indian Accounting Standard - 24 (Related Party Disclosure), the details of transactions with the related parties are set out in Note No. 45 of disclosures forming part of Financial Statements.

As required under Regulation 46(2)(g) of SEBI (LODR) Regulations, 2015, The Company's Related Party Transaction Policy is disclosed in the Company's Website and its web link is www.ramarajusurgical.com/reports/Related-Party-Transaction-Policy.pdf

RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof. The Risk Management Policy is available at the Company's website at the following weblink www.ramarajusurgical.com/report/risk-management-policy.pdf

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend amount of ₹ 2,00,542 remaining unclaimed / unpaid for a period of over 7 years was transferred to IEPF on 17-08-2018.

The Company had transferred a dividend of ₹ 15,060 to IEPF for the 30,120 Shares already transferred to IEPF.

Year wise amount of unpaid / unclaimed dividend lying in the unpaid account which are liable to be transferred to IEPF and due dates for such transfer, are tabled below:

Year	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for transfer to IEP Fund	Amount of unclaimed / unpaid dividend as on 31-03-2019 - ₹
2012-2013	Interim Dividend	22-02-2013	21-02-2020	21-03-2020	1,70,015.00
	Final Dividend	01-08-2013	31-07-2020	29-08-2020	48,963.00
2013-2014	Dividend	04-08-2014	03-08-2021	01-09-2021	3,30,681.00
2014-2015	Dividend	12-08-2015	11-08-2022	09-09-2022	1,49,320.80
2015-2016	Interim Dividend	14-03-2016	13-03-2023	11-04-2023	1,55,758.00
2016-2017	Dividend	10-08-2017	09-08-2024	07-09-2024	1,13,961.00
2017-2018	Dividend	10-08-2018	09-08-2025	07-09-2025	85,863.00

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

(a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the annual accounts for the year ended 31st March 2019;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2019 and of the loss of the Company for the year ended on that date;

(c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the Annual Accounts on a going concern basis;

(e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam, P.R. VENKETRAMA RAJA
28th May, 2019. CHAIRMAN

FORM AOC-1

[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing the salient features of the financial statement of Associate Companies

PART A - SUBSIDIARY COMPANY

The Company has no Subsidiary Company.

PART B - ASSOCIATE COMPANY

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Particulars	2018-19						
Name of the Associate Company	**The Ramco Cements Limited**	**Ramco Industries Limited**	**Ramco Systems Limited**	**Rajapalayam Mills Limited**	**Sri Vishnu Shankar Mills Limited**	**Shri Harini Media Limited**	**Sri Harini Textiles Limited**
Last Audited Balance Sheet date	31-03-2019						
Date on which the Associate was Associated / Acquired	01-04-2016						
No. of Shares held as on 31-03-2019	36,24,000	1,35,880	12,739	1,35,200	11,200	60,00,500	14,90,000
Amount of Investment in Associate as on 31-03-2019 (₹ in Lakhs)	19.86	0.53	12.15	12.98	1.68	60.01	149.00
Extent of Shareholding % as on 31-03-2019	1.54	0.16	0.04	1.83	0.75	3.21	49.67
Description of how there is significant influence	Note 1						
Reason why Associate is not consolidated	Not applicable						
Net worth attributable to Shareholding (₹ in Lakhs)	4,54,170.00	3,05,217.80	57,890.00	1,70,122.64	16,393.72	Note No. 4	
Profit / Loss for the Year (Consolidated) (₹ in Lakhs)	50,964.00	17,544.01	2,301.30	10,369.96	1,432.61		
a) Considered in Consolidation (₹ in Lakhs)	764.95	12.37	0.96	190.38	13.26		
b) Not considered in Consolidation (₹ in Lakhs)	50,199.05	17,531.64	2,300.34	10,179.58	1,419.35		

Note:
1) Significant influence exists based on combined voting rights.
2) Names of associates or joint ventures which are yet to commence operations - NIL
3) Consequent to review of significant influence, M/s. Ramco Windfarms Limited and M/s. Ramco Industrial and Technology Services Limited ceased to be an Associates w.e.f. 01-04-2018.

On behalf of the Board of Directors,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy:

The objective of the CSR Policy is;

a) to ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

b) to directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well being of the local populace.

c) to generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

Weblink to the CSR Policy: www.ramarajusurgical.com/reports/corporate-social-responsibility-policy.pdf.

2. The Composition of the CSR Committee:

Shri P.R. Venketrama Raja, Chairman

Smt. Nalina Ramalakshmi, Member

Shri. N.K. Shrikantan Raja, Member

Shri. P.J. Ramkumar Rajha, Member

3. Average net profit of the Company for last three financial years: ₹ 544.06 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 10.88 Lakhs.

5. Details of CSR spent during the financial year:

a. Total amount spent for the financial year : ₹ 12.26 Lakhs.

b. Amount unspent, if any : Nil

c. Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

Sl. No.	CSR Project or Activity identified & Sector in which the project is covered	Locations	Amount Outlay (Budget) Project or programmes wise	Amount Spent on the project or programmes	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			Actuals	Direct / Indirect	Expenditure	Spent Directly / Indirectly
1.	Promotion of Healthcare including Preventive Healthcare	Rajapalayam Subramaniapuram and Perumalpatti (Tamil Nadu) Jaggayyapet (Andhra Pradesh)	1.62	1.62	1.62	1.62
2.	Promotion and Development of Traditional Arts	Rajapalayam, (Tamil Nadu)	1.10	1.10	1.10	1.10
3.	Eradication of Hunger	Rajapalayam (Tamil Nadu) Jaggayyapet (Andhra Pradesh)	0.93	0.93	0.93	0.93
4.	Promotion of Education	Rajapalayam, Subramaniapuram, (Tamil Nadu), Jaggayyapet (Andhra Pradesh)	8.61	8.61	8.61	8.61
	Total		**12.26**	**12.26**	**12.26**	**12.26**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

SMT. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. VENKETRAMA RAJA
CHAIRMAN

Rajapalaiyam,
28th May, 2019.

Form MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
The Ramaraju Surgical Cotton Mills Limited,
(CIN: U17111TN1939PLC002302)
P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117.

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **THE RAMARAJU SURGICAL COTTON MILLS LIMITED** (hereinafter called "the Company") during the financial year from 1st April, 2018 to 31st March, 2019 ("the year"/ "audit period"/ "period under review"). I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31st March 2019 but before the issue of this report and the information provided by the Company, its officers, agents and authorised representatives during my conduct of the Secretarial Audit.

1. I hereby report that:

 1.1. In my opinion, during the audit period covering the financial year ended on 31st March 2019, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The Members are requested to read this report along with my letter of even date annexed to this report as Annexure - A.

 1.2. I have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions of:

  (i) The Companies Act, 2013 (the Act) and the rules made thereunder.

  (ii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.

(iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):-

(a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;

(c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(v) The following laws, that are specifically applicable to the Company:

(a) Essential Commodities Act 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003); and

(b) The Electricity Act, 2003.

1.3 I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India and

(ii) The Listing Agreement entered into by the Company with M/s. Metropolitan Stock Exchange of India Limited.

1.4. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2019 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions / clauses of the Acts, Rules, Regulations, Agreements and Standards mentioned under paragraphs 1.2 and 1.3 above.

1.5. I am informed that, during / in respect of the year:

(i) The Company was not required to comply with the following laws / guidelines/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

(a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(b) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.

(f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and

(g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

(ii) There was no law, other than those specified in paragraph 1.2(v) above, that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws did not arise.

2. I further report that:

2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The change in composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and

(ii) Additional subjects/ information/ presentation and supplementary notes.

consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.

2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

3. I further report that:

There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

M.R.L.Narasimha
Practising Company Secretary
Membership No: 2851
Certificate of Practice: 799
34-C, 3rd Cross, R.L.Nagar,
K.K.Pudur, Coimbatore - 641 038.

Rajapalaiyam,
28th May, 2019.

Annexure - A to Secretarial Audit Report of even date

To,

The Members,
The Ramaraju Surgical Cotton Mills Limited,
(CIN U17111TN1939PLC002302)
P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117.

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2019 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after 31st March 2019 but before the issue of this report.
4. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

M.R.L.Narasimha
Practising Company Secretary
Membership No: 2851
Certificate of Practice: 799
34-C, 3rd Cross, R.L.Nagar
K.K.Pudur, Coimbatore - 641 038.

Rajapalaiyam,
28th May, 2019.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014]

A. CONSERVATION OF ENERGY

The Company pays attention at all levels to reduce energy consumption by continuous monitoring maintenances and improvements.

(i)	the steps taken on conservation of energy	Optimising the operations of Effluent Treatment Plant. Installation of 960 Nos. of LED Tube Lamps on lighting circuits.
	Impact on conservation of energy	Installation of 960 Nos. of LED Tube Lamps resulted in power savings of around 0.55 Lakhs units per annum. Continuous conservation measures are taken to reduce steam consumption.
(ii)	the steps taken by the Company for utilising alternate sources of energy	Optimisation of lighting in machinery hall resulted power savings. Air leakage audit carried out and resulted in power savings of around 3.50 Lakhs units per annum.
(iii)	the capital investment on energy conservation equipments	NIL

B) TECHNOLOGY ABSORPTION:

(i)	the efforts made towards technology absorption;	The Company installed new modernized Ring Frame Individual Spindle Monitoring System.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	It reduces the patrolling time.
(iii)	in case of imported Technology (imported during the last three years reckoned from the beginning of the financial year).	
	(a) the details of technology imported;	NIL
	(b) the year of import;	NIL

	(c) whether the technology been fully absorbed;	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof; and	Not Applicable
(iv)	the expenditure incurred on Research and Development	Not Applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and	₹ 4,467.74 Lakhs
The Foreign Exchange outgo during the year in terms of actual outflows.	₹ 4,772.21 Lakhs

On behalf of the Board of Directors
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

Form MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U17111TN1939PLC002302
Registration Date	28-02-1939
Name of the Company	THE RAMARAJU SURGICAL COTTON MILLS LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered Office and Contact details	RSCM Premises, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117. Tamilnadu.
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Share Transfer is being carried out in-house.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company:

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Yarn	13111	47.62
Fabrics	13121	34.13
Surgical Dressings	21006	15.97

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1. The Ramco Cements Limited, "Ramamandiram", Rajapalayam - 626 117. Tamilnadu.	L26941TN1957 PLC003566	Associate	1.54	IND AS -28
2. Ramco Industries Limited, 47, P.S.K. Nagar, Rajapalayam - 626 108. Tamilnadu.	L26943TN1965 PLC005297	Associate	0.16	
3. Ramco Systems Limited, 47, P.S.K. Nagar, Rajapalayam - 626 108. Tamilnadu.	L72300TN1997 PLC037550	Associate	0.04	
4. Rajapalayam Mills Limited., P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 117. Tamilnadu.	L17111TN1936 PLC002298	Associate	1.83	
5. Sri Vishnu Shankar Mills Limited, Post Box No.109, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626117 Tamilnadu	U17301TN1981 PLC008677	Associate	0.75	

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
6. Shri Harini Media Limited, 3rd Floor, Sri Renga Vihar, New No .8, 1st Cross Street, Karpagam Gardens, Adyar, Chennai- 600 020. Tamilnadu.	U22210TN2010 PLC077293	Associate	3.21	IND AS -28
7. Sri Harini Textiles Limited, "Sri Bhavanam", 102, P.S.K. Nagar, Rajapalaiyam - 626 108. Tamilnadu.	U17111TN2005 PLC057807	Associate	49.67	

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Share Holding

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individuals/ Hindu Undivided Family	16,65,140	–	16,65,140	42.19	16,65,940	140	16,66,080	42.21	0.02
b)	Central Government	–	–	–	–	–	–	–	–	–
c)	State Government(s)	–	–	–	–	–	–	–	–	–
d)	Bodies Corporate	6,200	–	6,200	0.16	6,200	–	6,200	0.16	–
e)	Financial Institutions/ Banks	–	–	–	–	–	–	–	–	–
f)	Any Others...	–	–	–	–	–	–	–	–	–
Sub Total (A)(1)		**16,71,340**	**–**	**16,71,340**	**42.35**	**16,72,140**	**140**	**16,72,280**	**42.37**	**0.02**
(2)	**Foreign**									
a)	NRIs – Individuals	–	–	–	–	–	–	–	–	–
b)	Other Individuals	–	–	–	–	–	–	–	–	–
c)	Bodies Corporate	–	–	–	–	–	–	–	–	–
d)	Financial Institutions/ Banks	–	–	–	–	–	–	–	–	–
e)	Any Others	–	–	–	–	–	–	–	–	–
Sub Total (A)(2)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**16,71,340**	**–**	**16,71,340**	**42.35**	**16,72,140**	**140**	**16,72,280**	**42.37**	**0.02**

i) Category-Wise Share Holding - (contd.)

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. **(1)**	**Public shareholding** **Institutions**									
a)	Mutual Funds	–	–	–	–	–	–	–	–	–
b)	Financial Institutions / Banks	200	–	200	0.01	200	–	200	0.01	–
c)	Central Government	–	–	–	–	–	–	–	–	–
d)	State Government(s)	–	86,560	86,560	2.19	–	86,560	86,560	2.19	–
e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
f)	Insurance Companies	–	–	–	–	–	–	–	–	–
g)	Foreign Institutional Investors	–	–	–	–	–	–	–	–	–
h)	Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i)	Others	–	–	–	–	–	–	–	–	–
Sub-Total (B)(1)		**200**	**86,560**	**86,760**	**2.20**	**200**	**86,560**	**86,760**	**2.20**	**–**
(2) a)	Non-institutions Bodies Corporate									
i)	Indian	20,312	2,100	22,412	0.57	24,715	2,000	26,715	0.68	0.11
ii)	Overseas	–	–	–	–	–	–	–	–	–
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	7,03,452	3,21,396	10,24,848	25.96	7,57,231	2,31,854	9,89,085	25.06	(0.90)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	10,34,160	1,07,040	11,41,200	28.92	10,71,320	70,280	11,41,600	28.93	0.01
c)	Others (specify)									
	IEPF	–	–	–	–	30,120	–	30,120	0.76	0.76
Sub-Total (B)(2)		**17,57,924**	**4,30,536**	**21,88,460**	**55.45**	**18,83,386**	**3,04,134**	**21,87,520**	**55.43**	**(0.02)**
B	**Total Public Shareholding (B)= (B)(1)+ (B)(2)**	**17,58,124**	**5,17,096**	**22,75,220**	**57.65**	**18,83,586**	**3,90,694**	**22,74,280**	**57.63**	**(0.02)**
C	Shares held by Custodians for GDRs & ADRs	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A)+(B)+(C)		**34,29,464**	**5,17,096**	**39,46,560**	**100.00**	**35,55,726**	**3,90,834**	**39,46,560**	**100.00**	**–**

ANNEXURE V TO DIRECTORS' REPORT

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Smt. Nalina Ramalakshmi	14,91,860	37.80	–	14,91,860	37.80	–	–
2.	Shri. N.R.K. Ramkumar Raja	1,45,320	3.68	–	1,46,260	3.70	–	0.02
3.	Smt. Saradha Deepa	9,400	0.24	–	9,400	0.24	–	–
4.	Smt. R. Sudarsanam	9,360	0.24	–	9,360	0.24	–	–
5.	Shri P.R. Venketrama Raja	5,400	0.14	–	5,400	0.14	–	–
6.	M/s. Rajapalayam Mills Limited	4,000	0.10	–	4,000	0.10	–	–
7.	Smt. P.V. Srisandhya	3,400	0.08	–	3,400	0.08	–	–
8.	M/s. Sri Vishnu Shankar Mills Limited	2,200	0.06	–	2,200	0.06	–	–
9.	Smt. P.V. Nirmala	400	0.01	–	400	0.01	–	–
	Total	**16,71,340**	**42.35**	**–**	**16,72,280**	**42.37**	**–**	**0.02**

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
	No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	16,71,340	42.35	11.09.2018	280	Purchase	16,71,620	42.36
			22.10.2018	130	Purchase	16,71,750	42.36
			26.11.2018	140	Purchase	16,71,890	42.36
			07.12.2018	250	Purchase	16,72,140	42.37
			19.02.2019	100	Purchase	16,72,240	42.37
			26.03.2019	40	Purchase	16,72,280	42.37
	16,72,280	42.37					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters):

Sl. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shri Govindlal M Parikh	1,47,080	3.73	13.04.2018	(16,000)	Transfer	1,31,080	3.32
		1,31,080	3.32					
2.	Smt. Ramachandra Raja Chittammal	80,600	2.04	–	–	–	80,600	2.04
3.	Shri V. Krishnamuthy	65,600	1.66	–	–	–	65,600	1.66
4.	Smt. Chinmay G. Parikh	63,600	1.61	–	–	–	63,600	1.66
5.	Director of Handlooms & Textiles	52,800	1.34	–	–	–	52,800	1.34
6.	Smt. Sitalakshmi	42,480	1.08	–	–	–	42,480	1.08
7.	Shri M.A.A. Annamalai	40,320	1.02	–	–	–	40,320	1.02
8.	Shri K.S. Ganesan	38,080	0.96	–	–	–	38,080	0.96
9.	Shri Sandhya G Parikh	35,200	0.89	–	–	–	35,200	0.89
10.	Director of Industries & Commerce	33,760	0.86	–	–	–	33,760	0.86

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shri P.R. Venketrama Raja	5,400	0.14	–	–	–	5,400	0.14
2.	Smt. Nalina Ramalakshmi	14,91,860	37.80	–	–	–	14,91,860	37.80
3.	Shri N.R.K. Ramkumar Raja	1,45,320	3.68	11.09.2018	280	Purchase	1,45,600	3.69
				22.10.2018	130	Purchase	1,45,730	3.69
				26.11.2018	140	Purchase	1,45,870	3.69
				07.12.2018	250	Purchase	1,46,120	3.70
				19.02.2019	100	Purchase	1,46,220	3.70
				26.03.2019	40	Purchase	1,46,260	3.70
		1,46,260	3.70					
4.	Shri N.K. Shrikantan Raja	11,920	0.30	–	–	–	11,920	0.30
5.	Shri P.J. Alaga Raja	11,760	0.30	–	–	–	11,760	0.30
6.	Shri P.J. Ramkumar Rajha	8,040	0.20	–	–	–	8,040	0.20

V. INDEBTEDNESS

(₹ in Lakhs)

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,516.99	5,365.12	–	25,882.11
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	**20,516.99**	**5,365.12**	**–**	**25,882.11**
Change in Indebtedness during the financial year				
Addition	4,936.80	1,523.12	–	6,459.92
Reduction	3,399.03	–	–	3,399.03
Net Change	**1,537.77**	**1,523.12**	**–**	**3,060.89**
Indebtedness at the end of the financial year				
i) Principal Amount	22,054.76	6,888.24	–	28,943.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	**22,054.76**	**6,888.24**	**–**	**28,943.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Smt. Nalina Ramalakshmi Managing Director	Shri N.R.K. Ramkumar Raja, Managing Director	Total Amount
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	120.00	60.00	180.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission as % of profit	–	–	–
5	Sitting Fees	0.50	0.55	1.05
6	Contribution to Provident Fund	14.40	0.22	14.62
7	Contribution to Superannuation Fund	1.50	1.50	3.00
	Total (A)	**136.40**	**62.27**	**198.67**
	Ceiling as per Act	Managing Director remuneration is fixed at 5% of net profits of the Company per Managing Director and in case of, no profits or inadequacy of profits, each Managing Director shall be paid the maximum remuneration as per Section II, Part II of Schedule V of the Companies Act. 2013 which works out of ₹ 240 Lakhs per annum. As per Schedule V, the Managing Directors (Each Managing Director) are eligible for a minimum remuneration of ₹ 20 lakhs per month in case of no profit or inadequacy of profit, the Company has paid ₹ 10 Lakhs per month to Smt. Nalina Ramalakshmi and ₹ 5 Lakhs per month to Shri N.R.K. Ramkumar Raja.		

B. REMUNERATION TO OTHER DIRECTORS:

1. Independent Directors

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors					Total Amount
	Shri P.J. Alagar Raja	Shri P.J. Ramkumar Rajha	Justice Shri P.P.S. Janarthana Raja	Shri V. Santhanaraman	Shri P.A.B. Raju	
Fee for attending board / committee meetings	0.95	1.05	0.80	0.65	0.35	3.80
Commission	–	–	–	–	–	–
Others	–	–	–	–	–	–
Total B (1)	**0.95**	**1.05**	**0.80**	**0.65**	**0.35**	**3.80**

2. Other Non Executive Directors

Particulars of Remuneration	Name of the Directors				Total Amount
	Shri P.R. Venketrama Raja	Shri N.K. Shrikantan Raja	Shri K. Manoharan	Shri S. Kanthimathinathan	
Fee for attending board / committee meetings	0.70	1.05	0.45	0.30	2.50
Commission	–	–	–	–	–
Others	–	–	–	–	–
Total B (2)	**0.70**	**1.05**	**0.45**	**0.30**	**2.50**
Total B [B (1) + B (2)]					**6.30**
Total Managerial Remuneration (A+B)					**204.97**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri P.R. Ramasubramanian Chief Financial Officer	Shri A. Emarajan Company Secretary	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	31.43	8.26	39.69
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0.22	–	0.22
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- as % of profit	–	–	–
	- Others, specify	–	–	–
5	Others, please specify	–	–	–
	Total	**31.65**	**8.26**	**39.91**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding			Nil		
B. DIRECTORS Penalty Punishment Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			Nil		

On behalf of the Board of Directors
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Para C of Schedule V of SEBI (LODR) REGULATIONS, 2015]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, The Ramaraju Surgical Cotton Mills Limited is assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stake holders of the Company viz., Shareholders, Creditors, Customers and Employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customers satisfaction.

The Company lays great emphasis on team building and motivation. A contended and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organization grows, the society and the community around it should also grow.

2. BOARD OF DIRECTORS

The Board of Directors is headed by the Chairman Shri P.R. Venketrama Raja. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Law, Engineering, etc. The Board is having 10 Directors as on 31-03-2019. Except Smt. Nalina Ramalakshmi and Shri N.R.K. Ramkumar Raja, all other Directors are Non-Executive. As required under Regulation 17 of the SEBI (LODR) Regulations, 2015 not less than 50% of the Board consists of Independent Directors. There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulations 34(3) of SEBI (LODR) Regulations, 2015, the Board of Directors have identified the following Core Skills / Expertise / Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

* Textile Technology
* Strategy Management

* Business Management
* Banking and Financial Management
* Project Management
* Risk Management including Foreign Exchange Management
* Industrial Relationship Management, including Environment, Health and Safety
* Legal Knowledge
* Tax Planning and Management
* General Administration
* Information Technology

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl.	Name of the Director, Director Identification Number (DIN) & Directorship	25-05-2018	09-08-2018	10-11-2018	09-02-2019	Attendance at last AGM held on 10-08-2018
1.	Shri P.R.Venketrama Raja Chairman DIN: 00331406, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes
2.	Smt. Nalina Ramalakshmi Managing Director DIN: 01364161, Directorship: P & E	Yes	Yes	No	Yes	Yes
3.	Shri N.R.K. Ramkumar Raja Managing Director DIN: 01948373, Directorship: E	Yes	Yes	No	Yes	Yes
4.	Shri K. Manoharan Nominee Director of Handloom & Textiles, Government of Tamilnadu DIN: 07840325, Directorship: NE	Yes	Yes	No	Yes	No
5.	Shri N.K. Shrikantan Raja DIN: 00350693, Directorship: NE	Yes	Yes	Yes	Yes	Yes
6.	Shri S. Kanthimathinathan* DIN: 01124581, Directorship: NE	Yes	Yes	NA	NA	No
7.	Shri P.J. Alaga Raja DIN: 00446057, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
8.	Justice Shri P.P.S. Janarthana Raja DIN: 06702871, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
9.	Shri V. Santhanaraman DIN: 00212334, Directorship: NE & ID	Yes	Yes	Yes	Yes	No

Sl.	Name of the Director, Director Identification Number (DIN) & Directorship	25-05-2018	09-08-2018	10-11-2018	09-02-2019	Attendance at last AGM held on 10-08-2018
10.	Shri P.J. Ramkumar Rajha DIN: 00487193, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
11.	Shri P.A.B. Raju ** DIN: 08239261, Directorship: NE & ID	NA	NA	Yes	Yes	NA

P- Promoter; E - Executive; NE - Non Executive; ID - Independent Director.

* Resigned from the Directorship w.e.f. 27-09-2018

** Appointed w.e.f. 29-09-2018

Other Directorships

The number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31-03-2019 are given below:

Sl. No.	Name of the Director	Other Directorships *	Committee Positions **	
			Chairperson	Member
1.	Shri P.R. Venketrama Raja	8	3	3
2.	Smt. Nalina Ramalakshmi	2	–	–
3.	Shri N.R.K. Ramkumar Raja	1	–	1
4.	Shri N.K. Shrikantan Raja	6	3	1
5.	Shri K. Manoharan	–	–	–
6.	Shri P.J. Alaga Raja	–	–	–
7.	Justice P.P.S. Janarthana Raja	2	1	3
8.	Shri V. Santhanaraman	2	–	–
9.	Shri P.J. Ramkumar Rajha	5	–	2
10.	Shri P.A.B. Raju	–	–	–

* Public Limited Companies, other than The Ramaraju Surgical Cotton Mills Limited

** Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than The Ramaraju Surgical Cotton Mills Limited.

During the year, a separate meeting of the Independent Directors was held on 09-02-2019 and all the Independent Directors were present at the meeting.

Disclosure of relationships between Directors inter-se

a) Shri P.R. Venketrama Raja is a brother of Smt. Nalina Ramalakshmi.

b) Smt. Nalina Ramalakshmi is a Spouse of Shri N.R.K. Ramkumar Raja

c) Shri N.R.K. Ramkumar Raja is a Brother of Shri N.K. Shrikantan Raja

Details of familiarisation programme for Independent Directors

The details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at www.ramarajusurgical.com/reports/familiarisation%20programme%20for%20Independent%20Directors.pdf.

The Board of Directors periodically reviews Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review.

The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website, at the following link at www.ramarajusurgical.com/reports/Code-of-Conduct-for-Board-Members-and-Senior-Management-Personnel.pdf.

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee include:

i) To review the reports of Internal Audit Department;

ii) To review the Auditors' Report on the financial statements;

iii) To review and approve the Related Party Transactions;

iv) To review the Annual Cost Audit Report of the Cost Auditor;

v) To review the Annual Secretarial Audit Report of the Secretarial Auditor

vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;

vii) To generally assist the Board to discharge their functions more effectively.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

The composition of the Audit Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	28-05-2018	09-08-2018	09-11-2018	09-02-2019
1.	Justice Shri P.P.S. Janarthana Raja Chairman of the Committee*	NA	Yes	Yes	Yes
2	Shri N.K. Shrikantan Raja	Yes	Yes	Yes	Yes
3.	Shri P.J. Alaga Raja	Yes	Yes	Yes	Yes
4.	Shri P.J. Ramkumar Rajha	Yes	Yes	Yes	Yes

* Appointed as Chairman w.e.f. 29-05-2018.

The Statutory Auditor and Chief Financial Officer and Head of Internal Audit and Internal Auditors are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

$3/4^{th}$ of the members of the Audit Committee are Independent Directors as against the minimum requirements of $2/3^{rd}$ as stipulated in Regulation 18(1)(b) of SEBI (LODR) Regulations, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and functions as mandated by the Board of Directors from time to time. The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

The complete details about the terms of reference for Nomination and Remuneration Committee and Nomination and Remuneration Policy are available at Company's website www.ramarajusurgical.com /reports/Nomination-and-Remuneration-Policy.pdf.

The composition of the Nomination and Remuneration Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	28-05-2018	08-02-2019
1.	Shri P.J. Alaga Raja, Chairman of the Committee *	Yes	Yes
2.	N.K. Shrikantan Raja	Yes	Yes
3.	Shri P.J. Ramkumar Rajha	Yes	Yes

* Appointed as Chairman w.e.f. 29-05-2018.

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, independence, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

5. SALE COMMITTEE - SILVASSA DIVISION

The composition of Sale Committee - Silvassa Division and the details of attendance of its members are as follows:

Sl. No.	Name of the Director	30-11-2018
1.	Shri N.K. Shrikantan Raja	Yes
2.	Shri N.R.K. Ramkumar Raja	Yes
3.	Shri P.J. Ramkumar Rajha	Yes

The scope of the Committee comprise of overseeing and approving the entire process of Sale of Silvassa Division of the Company.

6. REMUNERATION TO DIRECTORS

The Directors were paid Sitting Fee of ₹ 15,000/- per Meeting for attending the Board and ₹ 5,000/- per Meeting for Committees thereof.

There are no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, other than those reported in related party transactions under Note No. 45.

The appointment and remuneration to Managing Directors are governed by the Special Resolution passed by the Shareholders at the Annual General Meeting held on 10-08-2016 and 10-08-2018 and the remuneration is equivalent to 5% of the Net Profits of the Company and in case of no profits or inadequate profits, as per Section II, Part II of Schedule V of the Companies Act, 2013.

The Details of remuneration paid for the financial year 2018-19 are as follows:

Name of the Director	Amount (₹ in Lakhs)		No. of Shares held
	Sitting Fees	Remuneration	
Shri P.R. Venketrama Raja	0.70	–	5,400
Smt. Nalina Ramalakshmi	0.50	135.90	14,91,860
Shri N.R.K. Ramkumar Raja	0.55	61.72	1,46,260
Shri K. Manoharan	0.45	–	–
Shri N.K. Shrikantan Raja	1.05	–	11,920
Shri S. Kanthimathinathan	0.30	–	–
Shri P.J. Alaga Raja	0.95	–	11,760
Justice Shri P.P.S. Janarthana Raja	0.80	–	–
Shri V. Santhanaraman	0.65	–	–
Shri P.J. Ramkumar Rajha	1.05	–	8,040
Shri P.A.B. Raju	0.35	–	–

* The remuneration paid to Managing Director consists of the following:

(₹ in Lakhs)

Particulars	Smt. Nalina Ramalakshmi	Shri N.R.K. Ramkumar Raja
Gross Salary	120.00	60.00
Contribution to Provident Fund	14.40	0.22
Contribution to Superannuation Trust Fund	1.50	1.50
Total	**135.90**	**61.72**

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of Stakeholders Relationship Committee and the details of attendance of its members are as follows:

Sl. No.	Name of the Director	29-05-2018
1.	Shri P.R. Venketrama Raja, Chairman	Yes
2.	Shri N.K. Shrikantan Raja, Member	Yes
3.	Shri N.R.K. Ramkumar Raja, Member	Yes

Name of Non-executive Director heading the Committee	Shri P.R. Venketrama Raja
Name and Designation of Compliance Officer	Shri A. Emarajan, Company Secretary
No. of complaints received during the year	1
Number not solved to the Satisfaction of shareholders	NIL
Number of pending complaints	NIL

8. GENERAL MEETINGS

i. Location and time, where last three AGMs / EGM held:

Year ended	Date of AGM / EGM	Time	Venue
31-03-2018	10-08-2018	9.30 A.M.	P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu.
31-03-2017	10-08-2017	9.30 A.M.	
EGM	20-06-2017	9.30 A.M.	
31-03-2016	10-08-2016	9.30 A.M	

ii. Details of Special Resolutions passed in the previous three Annual General Meetings / Extra-ordinary General Meeting

Date of AGM	Subject Matter of the Special Resolution
10-08-2018	Reappointment of Shri N.R.K. Ramkumar Raja as Managing Director for a period of three years with effect from 14-02-2019.
10-08-2018	Reappointment of Independent Directors for further period of 5 years as below. 1. Shri P.J. Alaga Raja (01-04-2019 to 31-03-2024) 2. Justice Shri P.P.S. Janarthana Raja (25-05-2019 to 24-05-2024) 3. Shri V. Santhanaraman (25-05-2019 to 24-05-2024) 4. Shri P.J. Ramkumar Rajha (25-05-2019 to 24-05-2024)
10-08-2017	No Special Resolution was passed.
10-08-2016	Appointment of Shri N.R.K. Ramkumar Raja as Managing Director for a period of three years with effect from 14-02-2016.
	Reappointment of Smt. Nalina Ramalakshmi as Managing Director for a period of three years with effect from 01-04-2017.
	Consent for creating charge by way of mortgage, hypothecation or any other manner on the all or any of movable or immovable properties of the Company both present and future.

Date of EGM	Subject Matter of the Special Resolution
20-06-2017	Increase the Authorized Capital of the Company from ₹ 3 Crores to ₹ 5 Crores and amend the Capital Clause in the Memorandum of Association.

iii. Special Resolution to enable the Company for Sale of Undertaking, Properties and Assets of the Company's Division situated at Kherdi Village, Silvassa, UT of Dadra and Nagar Haveli was passed through Postal Ballot during the year under review.

The details of Voting Pattern are given below.

Particulars	Number of Shares	%
Total number of Shares	39,46,560	100.00
Total number of votes polled	19,59,844	49.66
No. of votes in favour of the resolution, out of total number of votes polled	19,59,044	99.96
Total number of votes rejected	800	0.04

iv) Person who conducted the Postal Ballot exercise:

A. Emarajan,
Company Secretary & Compliance Officer,
The Ramaraju Surgical Cotton Mills Limited,
P.O.Box:2, 119, 120, P.A.C. Ramasamy Raja Salai,
Rajapalayam - 626 117.

Scrutinizer

Mr. M.R.L. Narasimha,
Practising Company Secretary,
New No.8, (Old No. 34-C), Third Cross,
Ramalinga Nagar, K.K. Pudur,
Coimbatore - 641 038.

v) No Special Resolution is proposed to be conducted through Postal Ballot as on date.

9. MEANS OF COMMUNICATION

The Unaudited Quarterly and Half yearly Financial results and Audited Annual Results are published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai edition).The results were also displayed on the Company's website at www.ramarajusurgical.com.

All the financial results are provided to Stock Exchange.

10. GENERAL SHAREHOLDER INFORMATION

i.	Annual General Meeting	On 14-08-2019 at 9.30 A.M. at P.A.C.Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, TamilNadu
ii.	Financial Year	1^{st} April, 2018 to 31^{st} March, 2019
iii.	Dividend Payment Date	Not Applicable
iv.	Name and address of Stock exchange at which the Company's Shares are listed	The Company's shares are listed in M/s. Metropolitan Stock Exchange of India Limited, 4^{th} Floor, Vibgyor Tower, Plot No. C-62, G Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai - 400 098. The Company has paid the listing fee to the Stock Exchange for the financial year 2019-20.

v.	Stock Code / Symbol - Metropolitan Stock Exchange of India Limited	RAMARAJU
vi.	Whether the securities are suspended from trading	No
vii.	Registrar and Transfer Agents	Being carried out in-house by the Secretarial Department of the Company.
viii.	Share Transfer System	For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode, the transfers have been effected in-house till 31-03-2019. Vide Press Release No: 51/2018 dated 03-12-2018 of SEBI, only transmission or transposition of securities are eligible for processing in physical form with effect from 01-04-2019.
ix.	Distribution of Shareholding	Enclosed as Annexure - A.
x.	Dematerialisation of Shares	As on 31st March, 2019, 90.09% of the shares have been dematerialized.
xi.	Outstanding GDRs / ADRs / Warrants or any Convertible instruments, date and likely impact on equity	NIL
xii.	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	With respect to Buyers' Credit in foreign currencies, forward contracts are booked taking in to account, the cost of hedging and the foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any.

xiii. **Plant Locations**

Surgical Division:

The Ramaraju Surgical Cotton Mills Limited

a. Rajapalayam

P.O.Box: 2, 119, 120, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117. Tamil Nadu.

b. Perumalpatti

2/318 to 2/321, Sankaran Kovil Road, Perumalpatti Village, Tirunelveli - 627 753. Tamil Nadu.

Spinning Division:

Sudarsanam Spinning Mills

a. 118, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117. Tamil Nadu.

b. 898, 899, Subramaniapuram, Vanniampatti Road, Pillayarkulam Village, Srivilliputtur Taluk - 626 137. Tamil Nadu.

c. Post Box: 33, Survey No. 57/3/3, 57/3/4/1/1 and 57/3/5/1, Khanvel-Udhwa Road, Kherdi Village, Silvassa - 396 230, Union Territory of Dadra Nagar & Haveli.

d. Survey No. 52, 53, Thirumalagiri Village, Jaggaiahpet Mandal, Krishna Dist. 521 178. Andhra Pradesh.

Fabric Division:

Sudarsanam Fabrics

2/318-2/321, Sankaran Kovil Road, Perumalpatti Village, Sankaran Kovil Taluk, Tirunelveli - 627 753. Tamil Nadu.

Wind Farm Division:

Rajampatti, Dhanakkarkulam, Uthumalai, Kolumakondan, Aralvaimozhi in Tamil Nadu.

xiv. Address of Registered Office for Correspondence for shareholder enquiries:

Shri A. Emarajan,
Company Secretary & Compliance Officer,
The Ramaraju Surgical Cotton Mills Limited,
P.O. Box. 2, P.A.C. Ramasamy Raja Salai,
Rajapalayam - 626 117, Tamil Nadu.
Phone : 04563-235904
Fax : 04563-235714
E-mail : rscm@ramcotex.com

xv. **Credit Rating**

CRISIL, the Company's credit rating agency vide their letter dated 21-01-2019 have rated our borrowing programmes as follows.

Facilities	Amount (₹ in Crores)	Rating
Cash Credits / Corporate Loans / Term Loans	256.21	BBB+ / Stable
Bank Guarantee	1.00	A2

The Long Term Rating as BBB+ / Stable (Upgraded from "BBB / Stable") and Short Term Rating as A2 (Upgraded from "A3+").

11. OTHER DISCLOSURES

i. There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.

ii. There are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

iii. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee. The policy is available at the following weblink: www.ramarajusurgical.com / reports / whistle-blower-policy.pdf.

iv. The Company has complied with the Mandatory requirements of Corporate Governance stipulated under SEBI (LODR) Regulations, 2015. The status of adoption of the Non-Mandatory requirements are given below:

   a. The Company's financial statements are with unmodified audit opinion for the year 2018-19.

   b. The Company has appointed separate persons to the post of Chairperson and Managing Director.

v. The Company has no Subsidiary. Hence, disclosure about "Material Subsidiary Policy" is not applicable.

vi. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is - www.ramarajusurgical.com / reports / Related-Party-Transaction-Policy.pdf

vii. The details relating to commodity price risks and commodity hedging activities are not applicable.

viii. The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement.

ix. Mr. M.R.L. Narasimha, Practising Company Secretary, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing of Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority (Annexure VII A).

x. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.

xi. Total Fee paid to Statutory Auditors

The total fees for all the services paid by the Company on a consolidated basis to the Statutory Auditor are ₹ 2.10 Lakhs.

No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by the Company.

xii. Significant changes in Key Ratios - There has been increase in the Debt Equity ratio from 3.65 times as at 31-03-2018 to 4.57 times as at 31-03-2019 due to additional borrowings made by the Company for its expansion of fabrics division. Once the cash generated from expansion activity, the Debt Equity ratio will come down.

12. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.

13. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 11(iv) above.

14. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.

15. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.

16. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchange, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.

17. As required under Regulation 46(2) of SEBI (LODR) Regulations, 2015 the following information have been duly disseminated in the Company's website:

- Terms and conditions of appointment of Independent Directors
- Composition of various committees of Board of Directors
- Code of Conduct of Board of Directors and Senior Management Personnel
- Details of establishment of Vigil Mechanism / Whistle Blower Policy
- Policy on dealing with Related Party Transactions
- Details of Familiarization Programmes imparted to Independent Directors

18. The various disclosures made in the Directors' Report, may be considered as disclosures made under this report.

19. The Company also have the following Committees of the Board of Directors:

The Composition of the Corporate Social Responsibility Committee and the details of the attendance of its members are as follows:

Sl. No.	Name of the Director	29-05-2018
1.	Shri P.R. Venketrama Raja, Chairman	Yes
2.	Smt. Nalina Ramalakshmi, Member	Yes
3.	Shri N.K. Shrikantan Raja, Member	Yes
4.	Shri P.J. Ramkumar Rajha, Member	Yes

20. Declaration signed by the Managing Director of the Company as per Schedule V (D) of SEBI (LODR) Regulations, 2015 on compliance with the Code of Conduct is Annexed.

21. Compliance Certificate as per Regulations 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015 provided by Managing Director and Chief Financial Officer is Annexed.

On behalf of the Board of Directors,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

RAJAPALAIYAM,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

DECLARATION

As provided under Schedule V (D) of the SEBI (LODR) Regulations, 2015 the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March, 2019.

For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

RAJAPALAIYAM,
28th May, 2019.

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

To

The Board of Directors,
The Ramaraju Surgical Cotton Mills Limited,
Rajapalayam.

CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

We hereby certify that -

A. We have reviewed financial statements and the cash flow statement for the year 2018-19 and that to the best of our knowledge and belief :

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee that -

   1. there are no significant changes in internal control over financial reporting during the year;

   2. there are no significant changes in accounting policies during the year; and

   3. there are no instances of significant fraud of which we have become aware.

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

RAJAPALAIYAM,
28th May, 2019.

ANNEXURE - A

Pattern of Shareholding as on 31-03-2019

Description	Total Shareholders	%	Total Shares	%
A. PROMOTERS HOLDING				
1. Promoters	11	0.82	16,72,280	42.37
Sub-total (A)	**11**	**0.82**	**16,72,280**	**42.37**
B. NON - PROMOTERS HOLDING				
1. Banks, FI'S INS. Cos, Govt. Institutions	3	0.22	86,760	2.20
2. NRIs / OCBs & Non-Domestic Companies	6	0.45	3,220	0.08
3. Private Corporate Bodies	15	1.12	26,715	0.68
4. IEPF	1	0.07	30,120	0.76
5. Residents	1,310	97.32	21,27,465	53.91
Sub-total (B)	**1,335**	**99.18**	**22,74,280**	**57.63**
Total (A) + (B)	**1,346**	**100.00**	**39,46,560**	**100.00**

Distribution of Shareholding as on 31-03-2019

No. of Shares held	Total Shareholders	%	Total Shares	%
Upto - 500	843	62.63	1,56,564	3.97
501 - 1000	201	14.93	1,57,674	4.00
1001 - 2000	132	9.81	2,09,353	5.30
2001 - 3000	43	3.19	1,07,120	2.71
3001 - 4000	26	1.93	94,550	2.39
4001 - 5000	14	1.04	65,800	1.67
5001 - 10000	35	2.60	2,59,239	6.57
10001 & above	52	3.86	28,96,260	73.39
Total	**1,346**	**100.00**	**39,46,560**	**100.00**

Category of Shareholding as on 31-03-2019

Category	Total Shareholders	%	Total Shares	%
Dematerialized Form:				
NSDL	649	48.22	31,96,765	81.00
CDSL	226	16.79	3,58,961	9.10
Physical Form	471	34.99	3,90,834	9.90
Total	**1,346**	**100.00**	**39,46,560**	**100.00**

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Pursuant to paragraph E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of
The Ramaraju Surgical Cotton Mills Limited,
[CIN: U17111TN1939PLC002302]
P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117.

We have examined the compliance of the conditions of Corporate Governance by The Ramaraju Surgical Cotton Mills Limited ("the Company") for the financial year ended 31st March, 2019, as stipulated under Regulation numbers 17 to 27, 46(2)(b) to (i), Schedule II and Schedule V (paragraphs C,D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is required to comply with the said conditions of Corporate Governance on account of Listing Agreement entered into by the Company with Metropolitan Stock Exchange of India Limited.

The Company's management is responsible for compliance with the conditions of Corporate Governance. We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the Company.

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by the Company, its officers and agents, the Company has, for the year ended 31st March, 2019, complied with the applicable conditions of Corporate Governance.

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

For N.A. Jayaraman & Co.,
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAIYAM,
28th May, 2019.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

[In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of
The Ramaraju Surgical Cotton Mills Limited,
(CIN:U17111TN1939PLC002302],
The Ramaraju Surgical Cotton Mills Premises,
119, P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117.

I hereby certify that, in my opinion, none of the directors on the Board of The Ramaraju Surgical Cotton Mills Limited ("the Company") as on 31st March, 2019, as listed below, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of Director	Nature of Directorship	Director's Identification Number
1	Poosapadi Ramasubrahmaneya Rajha Venketrama Raja	Chairman	00331406
2	Nalina Ramalakshmi	Managing Director	01364161
3	Namboor R Krishnama Raja Ramkumar Raja	Managing Director	01948373
4	Kandasamy Manoharan	Nominee Director	07840325
5	Nambur Krishnama Raja Shrikantan Raja	Non Independent Director	00350693
6	Poosapadi Alaga Raja Jaganatha Raja	Independent Director	00446057
7	Posapadi Perumal Subba Raja Janarthana Raja	Independent Director	06702871
8	Vaidyanathan Sanathanaraman	Independent Director	00212334
9	Poosapadi Jagadeeswara Raja Ramkumar Rajha	Independent Director	00487193
10	Poosapadi Angaiaraja Bhimaraja Raju	Independent Director	08239261

I am issuing this certificate based on the following, which to the best of my knowledge and belief were considered necessary in this regard:

1. My verification of the information relating to the directors available in the official website of MCA.
2. My verification of the disclosures/declarations/confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

I wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the management of the Company.

M.R.L.Narasimha
Practising Company Secretary
Membership No: 2851
Certificate of Practice: 799
34-C, 3rd Cross, R.L.Nagar
K.K.Pudur, Coimbatore - 641 038.

Rajapalaiyam,
28th May,2019.

ANNEXURE VIII TO DIRECTORS' REPORT

Disclosures relating to remuneration under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. & ii. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the Financial Year 2018-19.

Name of the Director / KMP and Designation	Remuneration of Director / KMP for financial year 2018-19 (₹ in lakhs)	% increase in remuneration in the financial year 2018-19	Ratio of remuneration of each Director / to median remuneration of employees
Shri P.R. Venketrama Raja, Chairman	0.70	(12)	1
Smt. Nalina Ramalakshmi, Managing Director	136.40	–	136
Shri N.R.K. Ramkumar Raja, Managing Director	62.27	–	62
Shri K. Manoharan, Nominee Director	0.45	(25)	1
Shri N.K. Shrikantan Raja	1.05	(16)	1
Shri P.J. Alaga Raja	0.95	(21)	1
Justice Shri P.P.S. Janarthana Raja	0.80	–	1
Shri V. Santhanaraman	0.65	(19)	1
Shri P.J. Ramkumar Rajha	1.05	(5)	1
Shri P.A.B. Raju	0.35	–	1
Shri P.R. Ramasubramanian, Chief Financial Officer	31.65	26	31
Shri A. Emarajan, Company Secretary	8.26	11	8

iii. The median remuneration of the employees during the financial year was ₹ 1,00,155 and the percentage increase in the median remuneration was 5%.

iv. There were 1,895 Permanent employees on the rolls of the Company, as on 31st March, 2019.

v. Average percentage of increase in the salaries of the employees other than the managerial personnel in the financial year i.e. 2018-19 was 14% whereas the increase in the managerial remuneration for the same financial year was 5%.

vi. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of Top 10 Employees in term of remuneration drawn and Particulars of Employees employed throughout the financial year 2018-19 and wasin receipt of remuneration in the aggregate of not less than ₹ 102 Lakhs.

Sl. No.	Name	Age (Years)	Designation	Remuneration Paid / Payable ₹ in lakhs	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1.	Smt. Nalina Ramalakshmi	56	Managing Director	135.90	B.Sc., M.S.C.S., (16 Years)	12-08-2005	–
2.	Shri N.R.K. Ramkumar Raja	61	Managing Director	61.72	B.Tech., M.E., (26 Years)	14-02-2016	–
3.	Shri P.R. Ramasubramanian	33	Chief Financial Officer	31.65	ACA., MBA (10 Years)	16-12-2009	M/s Rajapalayam Mills Limited
4.	Shri S. Shunmugavel	58	Sr. General Manager (Works)	23.67	B.Tech (35 Years)	17-10-1983	–
5.	Shri V. Santhosh	46	General Manager (Operation)	18.01	D.T.T. (27 Years)	03-02-2016	Premier Fine Linens Pvt. Ltd.
6.	Shri V. Murali	52	General Manager (Works)	15.36	D.T.T. (34 Years)	16-09-2016	Gokok Textiles
7.	Shri V.V. Subburaman	55	General Manager (Works)	12.06	D.T.T (33 Years)	12-12-2016	Barani Cotspin
8.	Shri K. Kannan	50	Asst. General Manager (HR)	10.44	M.B.A., L.L.B. (30 Years)	09-12-2016	Premier Fine Linens Pvt. Ltd.
9.	Shri S. Manikandan	37	Asst. General Manager (PPC)	8.98	D.Tech, MBA (18 Years)	18-06-2018	VTM Ltd.
10.	Shri G. Sathya Sayeram	47	Senior Manager (Accounts)	8.83	M.Com., MBA (28 Years)	10-05-2010	Mohan Brewe-ries & Distl.

NOTE: 1. All appointments are contractual.

2. Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund, but does not include Provision for Gratuity and Leave Encashment.

3. None of the employees mentioned above is related to any Director of the Company except Smt. Nalina Ramalakshmi, Managing Director who is related to Shri P.R. Venketrama Raja, Chairman and Shri N.R.K. Ramkumar Raja, Managing Director. Shri N.R.K. Ramkumar Raja who is related to Shri N.K. Shrikantan Raja, Director.

On behalf of the Board of Directors,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

RAJAPALAIYAM,
28th May, 2019.

P.R. VENKETRAMA RAJA
CHAIRMAN

SEPARATE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of M/s. The Ramaraju Surgical Cotton Mills Limited

Report on the Separate Financial Statements

Opinion

We have audited the accompanying Separate financial statements of THE RAMARAJU SURGICAL COTTON MILLS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Separate Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Separate financial statements give the information required by the Companies Act, 2013 ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Separate financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Separate financial statements of the current period. These matters were addressed in the context of our audit of the Separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition in view of adoption new Ind AS 115 (Revenue from Contracts with Customers) accounting standard** The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes identification of performance obligations contained in contracts, determination of the most appropriate method for recognition of revenue relating to the identified performance obligations, assessment of transaction price and allocation of the assessed price to the individual performance obligations. **(Refer to Note No. 4H (i) to the Separate Financial Statements)**	**Principal Audit Procedures** Audit procedure involved review of the company's IND AS 115 implementation process, and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition. Our tests in detail focused on transactions occurring within proximity of the year end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents or system generated reports. Furthermore we assessed the adequacy and appropriateness of the disclosures the Separate financial statements.
2.	**Recognition and measurement of deferred taxes** The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with IND AS. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results. We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of	**Principal Audit Procedures** The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards on sample basis. Further more we assessed the adequacy and appropriateness of the disclosures the financial statements.

S.No.	Key Audit Matter	Auditor's Response
	management's estimation and judgment and the materiality of amounts. **(Refer to Note Nos.4 D (iv), (v), (vi) & (vii) and Note No.6(iv) to the Separate Financial Statements)**	
3.	**Evaluation of uncertain Tax Position/ Other contingent liabilities** The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums. **(Refer to Note No.4 O (iv) and 6 (vi) to the Separate Financial Statements)**	**Principal Audit Procedures** The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims. Furthermore we assessed the adequacy and appropriateness of the disclosures the financial statements.
4.	**Existence and impairment of Trade Receivables** Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter. **(Refer to Note No. 4(T)(vii), 4(V)(vi)(b) and 6(vii) to the Separate Financial Statements)**	**Principal Audit Procedures** We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgement and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures. Furthermore we assessed the adequacy and appropriateness of the disclosures in the standalone financial statements.

Information Other than the Separate Financial Statements and Auditors' Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and, Report on CSR activities, and Shareholders information but does not include the Separate financial statements and our auditor's report thereon.

Our opinion on the Separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Separate Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Separate financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act 2013 read with relevant rules issued there under and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Separate financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statement

Our objectives are to obtain reasonable assurance about whether the Separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Separate financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Separate financial statements, including the disclosures, and whether the Separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Separate financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  i) The Company has disclosed the details of the pending litigations and its impact on the financial statements have been disclosed in Note No. 42 (iv) & (v) of the Disclosures forming part of the Separate Financial Statements for the year ended 31st March, 2019;

  ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

  iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N.A. JAYARAMAN & CO.,
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam,
28th May, 2019.

"ANNEXURE - A" TO THE INDEPENDENCE AUDITORS' REPORT

Referred to in Paragraph (f) of Report on Other Legal and Regulatory Requirements of our Report of even date to the Financial Statements of the Company for the year ended 31st March, 2019.

i. Fixed Assets

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.

ii. Inventory

a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on verification between the physical stocks and the books records were properly dealt with in the books of accounts and were not material.

iii. The Company has granted loan to a party listed in the register maintained under Section 189 of the Act. The maximum outstanding at any time during the year was ₹ 10 Lakhs (Previous year ₹ 10 Lakhs) and the amount outstanding as on 31st March 2019 is ₹ 10 Lakhs (Previous year ₹ 10 Lakhs)

a) In our opinion, the terms and conditions on which the loan has been granted to the party listed in the register maintained under Section 189 of the Act are not prejudicial to the interest of the Company.

b) The payment of the principal and the interest wherever applicable are regular.

c) There are no overdue amounts in respect of the loan granted to a party listed in the register maintained under Section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.

vi. The Company is maintaining the accounts and records which have been specified by the Central Government under Section 148 (1) of the Companies Act, 2013.

vii. Undisputed and disputed taxes and duties

a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrear as at 31st March 2019 for a period of more than six months from the date they become payable.

b) As at 31st March 2019 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess. The disputed statutory dues aggregating to ₹ 8.45 Lakhs (PY: ₹ 8.45 Lakhs) on which we have paid an amount of ₹ 4.23 Lakhs under protest.

(₹ in Lakhs)

Name of Statute	Forum Where Dispute is Pending	As at 31-03-2019	As at 31-03-2018
Sales Tax	Deputy Commissioner (Commercial Tax - Appellate)	8.45	8.45

viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders.

ix. The company has not raised money by way of initial public offer or further public offer during the Current year. The Company has raised term loans from banks/institutions during the year and the proceeds have been applied for the purposes for which they were raised. The Company has not issued any debenture during the year.

x. In our opinion and according to the information and explanations given to us, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

xi. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause (xii) of Para 3 of the Order 2016 is not applicable to the Company.

xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the Company has not made a preferential allotment or private placement shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause (xvi) of Para 3 of the Order 2016 is not applicable to the Company.

For N.A. JAYARAMAN & CO.,
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam,
28th May, 2019.

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements prepared in accordance with Indian Accounting Standards of The Ramaraju Surgical Cotton Mills Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. THE RAMARAJU SURGICAL COTTON MILLS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Separate financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.A. JAYARAMAN & CO.,
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam,
28th May, 2019.

BALANCE SHEET AS AT 31ST MARCH 2019

(₹ in Lakhs)

	Note No.	As at 31-03-2019		As at 31-03-2018	
ASSETS					
(1) Non-Current Assets					
Property, Plant and Equipment	7	**22,804.12**		17,404.11	
Capital Work-in-progress		**10.48**		3,283.22	
Investment Property	8	**1,064.17**		1,067.76	
Intangible Assets	7	**6.81**		7.45	
Investment in Associates	9	**1,096.21**		1,096.21	
Financial Assets					
Other Investment	9	**12.45**		9.23	
Loans	10	**10.00**		10.00	
Other Financial Assets	11	**426.31**		370.63	
Other Non-Current Assets	12	**274.43**		142.77	
Asset Held for Sale	13	**388.83**	**26,093.81**	1,838.15	25,229.53
(2) Current Assets					
Inventories	14	**8,217.88**		7,191.88	
Financial Assets					
Trade Receivables	15	**3,753.41**		2,039.21	
Cash and Cash Equivalents	16	**140.11**		383.84	
Bank Balance other than Cash and Cash Equivalents	17	**10.55**		11.80	
Other Financial Assets	18	**139.33**		94.33	
Other Current Assets	19	**745.31**	**13,006.59**	1,294.01	11,015.07
TOTAL ASSETS			**39,100.40**		36,244.60
EQUITY & LIABILITIES					
(1) Equity					
Equity Share Capital	20	**394.66**		394.66	
Other Equity	21	**5,933.65**		6,691.20	
Total Equity			**6,328.31**		7,085.86
(2) Liabilities					
A) Non Current Liabilities					
Financial Liabilities					
Borrowings	22	**13,787.58**		9,545.76	
Provisions	23	**154.38**		123.88	
Deferred Tax Liabilities (Net)	24	**1,039.66**		1,198.66	
Deferred Government Grants	25	**46.72**	**15,028.34**	50.06	10,918.36
B) Current Liabilities					
Financial Liabilities					
Borrowings	26	**12,122.61**		13,283.88	
Trade Payables					
(i) Total outstanding dues of micro enterprises and small enterprises		**–**		–	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	27	**1,173.47**		605.76	
Other Financial Liabilities	28	**4,058.63**		3,909.37	
Provisions	29	**299.85**		358.53	
Liabilities for Current Tax		**89.19**	**17,743.75**	82.84	18,240.38
TOTAL EQUITY AND LIABILITIES			**39,100.40**		36,244.60
Significant Accounting Policies, Judgements and Estimates	1-6				
See accompanying notes to the financial statements	7-49				

As per our report annexed

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lakhs)

		Note No.		For the year ended 31-03-2019		For the year ended 31-03-2018
	REVENUE					
I	Revenue from Operations	30		**25,268.60**		26,141.73
II	Finance Income	31		**126.17**		142.79
III	Other Income	32		**219.77**		195.15
IV	**Total Revenue (I + II + III)**			**25,614.54**		26,479.67
V	**EXPENSES**					
	Cost of Materials Consumed	33		**13,568.15**		13,581.80
	Purchases of Stock-in-Trade			**512.81**		184.66
	Changes in Inventories of Finished Goods and Work-in-progress	34		**(1,771.07)**		196.36
	Excise Duty			**–**		9.65
	Employee Benefit Expenses	35		**3,028.35**		2,975.02
	Finance Costs	36		**2,655.45**		2,168.43
	Depreciation and Amortization Expenses	37		**1,529.18**		1,704.96
	Other Expenses	38		**7,076.45**		6,050.65
	Total Expenses			**26,599.32**		26,871.53
VI	**Loss Before Tax (IV-V)**			**(984.78)**		(391.86)
VII	Income Tax Expenses / (Savings)					
	Deferred Tax			**(190.23)**		(258.83)
VIII	**Loss for the year (VI-VII)**			**(794.55)**		(133.03)
IX	**Other Comprehensive Income**					
	Item that will not be reclassified subsequently to Profit and Loss:					
	Actuaral Gain on defined benefit obligation (net)		**89.38**		41.73	
	Less: Income Tax Expenses		**31.23**		13.93	
				58.15		27.80
	Fair Value Gain / (Loss) on Equity Instruments through OCI (Net)			**2.64**		–
	Other Comprehensive Income for the year, net of tax			**60.79**		27.80
X	**Total Comprehensive Income / (Loss) for the year, net of tax (VIII + IX)**			**(733.76)**		(105.23)
XI	**Earnings per Equity Share of ₹ 10/- each**					
	Basic & Diluted (in Rupees) [Refer to Note No.44]			**(20.13)**		(3.37)
	Significant Accounting Policies, Judgements and Estimates		1-6			
	See accompanying notes to the financial statements		7-49			

As per our report annexed

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

		2018-19	2017-18
A. Cash Flow from Operating Activities			
Loss before Tax		**(984.78)**	(391.86)
Adjustments for reconcile Loss Before Tax to Net Cash Flows:			
Depreciation & Amortisation		**1,529.18**	1,704.96
Finance Cost		**2,655.45**	2,168.43
Interest Received		**(126.17)**	(142.79)
Dividend Received		**(114.81)**	(114.81)
Impairment Loss on Assets		**475.88**	–
Loss on Sale of Assets		**399.19**	3.09
Operating Profit before Working Capital Changes		**3,833.94**	3,227.02
Movements in Working Capital			
Gratuity and Government Grants		**86.04**	38.39
Trade Receivables		**(1,714.20)**	(115.54)
Loans and Advances		**316.36**	(223.78)
Inventories		**(1,026.00)**	2,703.19
Trade Payables & Current Liabilities		**688.79**	(613.89)
Cash generated from Operations		**2,184.93**	5,015.39
Income Tax (Paid) / Received		**6.35**	(0.92)
Net Cash generated from Operating Activities	**A**	**2,191.28**	5,014.47
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets (including Capital Work-in-Progress)		**(3,783.18)**	(4,145.20)
Investment in Shares - Others		**(0.58)**	(0.31)
Sale of Investment		**–**	0.11
Proceeds from Sale of Property, Plant & Equipments		**705.21**	180.76
Interest Received		**126.17**	142.79
Dividend Received		**114.81**	114.81
Net Cash used in Investing Activities	**B**	**(2,837.57)**	(3,707.04)

(₹ in Lakhs)

		2018-19	2017-18
C. Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings		**7,621.21**	3,161.75
Proceeds from / (Repayment) of Deposits - Related Parties		**(305.95)**	1,399.78
Repayment of Long Term Loan		**(3,399.03)**	(2,576.14)
Proceeds / (Repayment) of Short Term Borrowings (Net)		**(835.68)**	(1,062.27)
Payment of Dividend and Tax thereon		**(23.79)**	(23.75)
Finance Cost		**(2,655.45)**	(2,168.43)
Net Cash from / (used) Financing Activities	**C**	**401.31**	(1,269.06)
Net Increase / (Decrease) in Cash and Cash Equivalent	**D = (A+B+C)**	**(244.98)**	38.37
Opening balance of Cash and Cash Equivalents	**E**	**395.64**	357.27
Closing balance of Cash and Cash Equivalents	**D + E**	**150.66**	395.64

Notes:

(i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.

(ii) Bank Borrowings including Cash Credits are considered as Financing Activities.

(iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following.

Particulars	31-03-2019	31-03-2018
Cash and Cash Equivalents [Refer to Note No.16]	**140.11**	383.84
Bank Balances other than Cash and Cash Equivalents [Refer to Note No.17]	**10.55**	11.80
	150.66	395.64

See accompanying notes to the financial statements [Refer to No. 7 to 49]

As per our report annexed

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital **(₹ in Lakhs)**

Balance as at 01-04-2017	197.33
Changes in Equity Share Capital during the year 2017-18 1:1 Bonus shares issued	197.33
Balance as at 31-03-2018	394.66
Changes in Equity Share Capital during the year 2018-19	–
Balance as at 31-03-2019	394.66

B. Other Equity

Particulars	Reserves and Surplus			Items of OCI		Total Other Equity
	Capital Reserve	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	
Other Equity as at 1st April, 2017	**17.63**	**6,842.25**	**157.63**	**–**	**–**	**7,017.51**
Add: Profit for the financial year 2017-18	–	–	(133.03)	–	–	(133.03)
Add: Other Comprehensive Income	–	–	–	–	27.80	27.80
Total Comprehensive Income	–	–	**(133.03)**	**–**	**27.80**	**(105.23)**
Add: 1:1 Bonus shares issued during the year	–	(197.33)	–	–	–	(197.33)
Less: Cash Dividend & Tax on Dividend	–	–	(23.75)	–	–	(23.75)
Less: Transfer to Retained Earnings	–	–	–	–	(27.80)	(27.80)
Add: Transfer from OCI	–	–	27.80	–	–	27.80
Less: Transfer to General Reserve	–	–	100.00	–	–	100.00
Add: Transfer from Retained Earnings	–	(100.00)	–	–	–	(100.00)
Other Equity as at 31st March 2018	**17.63**	**6,544.92**	**128.65**	**–**	**–**	**6,691.20**
Add: Profit for the Financial Year 2018-19	–	–	(794.55)	2.64	–	(791.91)
Add: Other Comprehensive Income	–	–	–	–	58.15	58.15
Total Comprehensive Income	**–**	**–**	**(794.55)**	**2.64**	**58.15**	**(733.76)**
Less: Cash Dividend & Tax on Dividend	–	–	(23.79)	–	–	(23.79)
Add: Transfer from OCI	–	–	58.15	–	(58.15)	–
Add: Transfer from General Reserve	–	–	700.00	–	–	700.00
Less: Transfer to Retained Earnings	–	(700.00)	–	–	–	(700.00)
Other Equity as at 31st March, 2019	**17.63**	**5,844.92**	**68.46**	**2.64**	**–**	**5,933.65**

1. Corporate Information

The Ramaraju Surgical Cotton Mills Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1913. The Registered office of the Company is located at The Ramaraju Surgical Cotton Mills Premises, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117, Tamil Nadu, India.

The Company is principally engaged in manufacture of Surgical Dressings, Yarn and Grey Fabrics. The Company is also engaged in generation of electricity from its windmills for its captive consumption.

The financial statements of the Company for the year ended 31-03-2019 were approved and adopted by Board of Directors of the Company in their meeting dated 28-05-2019.

2. Basis of preparation and presentation of financial statements

(i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

(ii) The significant accounting policies used in preparing the financial statements are set out in Note No.4.

(iii) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of Assets and Liabilities.

(iv) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period, or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.

(v) A liability is classified as current when it is expected to be settled in normal operating cycle, or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(vi) The financial statements are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.

(vii) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

3. Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note No. 4(T) - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

4. Significant Accounting Policies

A. Inventories

(i) Raw-materials, Stores & Spares, Fuel, Packing materials etc, are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

(ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.

(iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

B. Statement of Cash Flow

(i) Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

(ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

(iii) Bank borrowings, including Bank overdrafts and Cash Credits are generally considered to be financing activities.

C. Dividend distribution to Equity shareholders

Final dividend distribution to Shareholders is recognised in the period in which the dividends are approved by the Shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes is recognised directly in Other Equity.

D. Income Taxes

(i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws.

(ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the “MAT Credit Entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

(iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

(iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

(v) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to such set off current tax assets against current tax liabilities.

(vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

E. Property, Plant and Equipments (PPE)

(i) PPEs are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, import duties, non-refundable purchase taxes (net of tax credits wherever applicable), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

(ii) Subsequent expenditures are included in the assets' carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(iii) Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection / overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

(v) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.

(vi) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the heads of accounts in the year in which it is incurred.

(vii) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis up on technical estimate, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Type of Plant and Machinery	Useful life of such components ranging from
Textile Machineries / Equipment	10 to 25 Years
Wind Mills	22 to 30 Years
HFO & DG Sets	12 to 25 Years
Electrical Machineries	3 to 25 years
Motor cars given to employees as per company's scheme	6 to 8 years

(viii) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

(ix) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognized in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

(x) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.

(xi) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro-rata basis upto the date on which such assets have been discarded / sold.

(xii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

F. Capital Work-in-Progress

Capital work-in-progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

G. Leases

(i) The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

(ii) The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts and payments are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Company does not have any finance leases.

(iii) The amount paid for securing right to use of lands is classified under "Leasehold Land", and are amortised over the tenure of lease.

H. Revenue Recognition

(i) Revenue from Operations

The Company has adopted Ind AS 115 with effect from 1-4-2018 (i.e) from the date on which it became effective.

a) Sale of products

Revenue from product sales is recognized when the Company transfers control of the product to customers at a point in time.The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. There is no significant financing component with regard to sale of products for the company as per Ind AS 115. The company does not have any non-cash consideration.

b) Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set off against the cost of Power & Fuel.

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at Factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set after against the case of power & fuel.

c) **Scrap sales**

Scrap sales is recognized when the Company transfers control of the product to customers.

d) **Job Work Income**

Income from job work is recognized on the proportion of work executed as per the contract / agreement.

(ii) Other Income

a) Interest income is recognized using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, to the gross carrying amount of the financial asset or to the authorised cost of a financial liability.

b) Dividend income is recognised when the Company's right to receive dividend is established.

c) Rental income from operating lease on investment properties is recognised on a straight line basis over the terms of the relevant lease.

I. Employee Benefits

(i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

(ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

(iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employees' basic salary. The Company has no further obligations.

(iv) The Company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lakhs per annum is remitted to The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.

(v) The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "The Ramaraju Surgical Cotton Mills Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the reporting date using Projected Unit Credit method.

(vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.

(vii) Re-measurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to 'Other Comprehensive Income' in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

J. Government Grants

(i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

(ii) In case of revenue related grant, the income is recognized on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

(iii) In case of grant relates to an asset, it is recognised as income over the expected useful life of the related asset.

(iv) Interest subsidy under Technology Up-gradation Fund Scheme (TUFS) is recognised on accrual basis and credited to the Interest and Finance cost.

(v) Power Subsidy under Industrial Investment Promotion Policy of Andhra Pradesh is credited to the Power & Fuel cost.

(vi) Other subsidies under Industrial Investment Promotion Policy of Andhra Pradesh are credited to Industrial Promotion Assistance under Note No. 32 “Other Income”.

K. Foreign currency transactions

(i) The financial statements are presented in Indian Rupees, which is also the Company's functional currency.

(ii) All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

(iii) Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

(iv) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

L. Borrowing Costs

(i) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.

(ii) Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

M. Earnings per Share

(i) Earnings per share is calculated by dividing the Profit / (Loss) attributable to equity shareholders by the weighted average number of equity shares outstanding at the end of the year.

(ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing Earnings per share.

(iii) The Company do not have any potential equity shares.

N. Impairment of Non-Financial Assets

(i) The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors

(ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation / amortization for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

(iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

(iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

O. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

(ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for Contingent Assets are not recognised.

(iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

P. Intangible Assets

(i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.

(ii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team:

Nature of Intangible Assets	Estimated useful life
Computer Software	6 years

(iii) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, are recognized as Intangible assets under development.

(iv) The residual values, useful lives and methods of amortization of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

Q. Investment Properties

(i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.

(ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.

(iii) The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de- recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) Depreciation on investment properties are calculated on straight line method based on useful life of the significant components as detailed below, that are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013:

Asset type	Useful life
Buildings under Investment properties	60 years

(v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount receivable towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

(vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

R. Operating Segments

The Company has four operating / reportable segments viz. Textiles, Surgicals, Fabrics and wind Power Generation from Wind Mills.

The inter segment transfers of Goods / Units are recognised at the applicable competitive market prices / tariff rates of the electricity bounds for the purpose of Segment Reporting as per the relevant Accounting Standard. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

S. Financial Instruments

(i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(ii) Financial Assets and Liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Company has a legal right to off set the recognized amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

T. Financial Assets

(i) Financial assets comprise of investments in equity, trade receivables, cash and cash equivalents and other financial assets.

(ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

a) Amortised cost; or

b) Fair value through other comprehensive income (FVTOCI); or

c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

(iii) Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

(iv) The Company has accounted for its investments in associates at cost. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Associates as an option exercised at the time of initial recognition.
FVTPL	Forward exchange contracts.

(v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

a. Significant risk and rewards of the financial asset, or

b. Control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

(vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the Statement of Profit and Loss.

(vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

U. Financial Liabilities

(i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments and other financial liabilities.

(ii) The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

V. Fair value measurement

(i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

(iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.

Level3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

(iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

(v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

(vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

a) Investments in Equity

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

b) Trade and other receivables

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

c) Investment Properties

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

5. Amendments to the existing Accounting Standards / issuance of new accounting standard effective from 1-4-2019 onwards

A. New Standard

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying deletion of existing standard Ind AS 17 on Leases and insertion of new standard Ind AS 116 on Leases for applicability with effect from 1st April, 2019.

Ind AS 116 Leases

Entity as a Lessee

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to the accounting for finance leases under Ind AS 17.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Entity as a Lessor

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The above notified standard provides two recognition exemptions for lessees viz., leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less).

The Company is evaluating the requirements of this new standard and its effect on the financial statements.

B. Amendments in existing accounting standards

The details of amendments to the existing standards applicable to the Company with effect from 1st April, 2019, which may impact the financial statements in the coming years are detailed below:

Ind AS 12 Income Taxes

(a) **Uncertainty over Income Tax Treatments**

Appendix C to Ind AS 12 addresses the following issues, when there is uncertainty over income tax treatments.

(i) Whether an entity considers uncertain tax treatments seperately;

(ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities;

(iii) how an entity determines taxable profit, tax bases, unused tax losses, unused tax credits and tax rates; and

(iv) how an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

(b) **Income tax consequences of dividends**

The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, the Company shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 19 Employee Benefits

Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement, the Company is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset);

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) and the discount rate used to remeasure that net defined benefit liability (asset).

Further the Company first determines any past service cost, or again or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The Company is evaluating the requirements of the above amendments and itself fect on the financial statements.

6. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

(i) Revenue Recognition

Significant management judgment is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The company offers credit period to customers and management judgment is exercised in assessing whether a contract contains a significant financing component.

(ii) Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation / amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

(iii) Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

(iv) Deferred Tax Asset (Including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(v) Provisions

The timing of recognition requires application of judgment to existing facts and circumstance that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(vi) Contingent Liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(vii) Impairment of Trade receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

(viii) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

(ix) Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(x) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(xi) Impairment of Investments in Associates

Significant determining impaired or management whether the not is on the judgement investment is exercised in associates are basis of its nature of long term strategic investments and business projections.

(xii) Interests in other entities

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds lessthan 20% of the voting rights.

NOTE NO. 7

PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Year	Gross Block					Depreciation					Net Block	
		As at the beginning of the year	Additions made during the year	Sold	Transfer to Investment Property & Assets held for Sale	As at the end of the year	As at the beginning of the year	For the year (Note No. 34)	Withdrawn during the year	Transfer to Investment Property & Assets held for Sale	As at the end of the year	As at the end of the year	As at the beginning of the year
Tangible Assets													
Land	**2018-19**	**548.44**	**-**	**-**	**99.97**	**448.47**	**-**	**-**	**-**	**-**	**-**	**448.47**	**548.44**
	2017-18	548.44	-	-	99.97	448.47	-	-	-	-	-	448.47	548.44
Buildings	**2018-19**	**5,903.67**	**1,749.30**	**-**	**1,637.02**	**6,015.95**	**1,813.06**	**169.54**	**-**	**678.99**	**1,303.61**	**4,712.34**	**4,090.61**
	2017-18	5,860.70	42.97	-	1,637.02	4,266.65	1,574.39	238.67	-	675.59	1,137.47	3,129.18	4,286.31
Plant and Machinery	**2018-19**	**28,190.53**	**4,698.60**	**2,336.57**	**1,843.57**	**28,708.99**	**13,487.41**	**1,167.34**	**1,255.01**	**1,031.19**	**12,368.55**	**16,340.44**	**14,703.12**
	2017-18	27,864.83	676.44	350.74	3,896.22	24,294.31	12,492.96	1,200.92	206.47	2,132.86	11,354.55	12,939.76	15,371.87
Electrical Machinery	**2018-19**	**2,461.17**	**528.78**	**26.68**	**314.08**	**2,649.19**	**1,730.20**	**146.77**	**18.33**	**268.54**	**1,590.10**	**1,059.09**	**730.97**
	2017-18	2,444.42	16.75	-	339.83	2,121.34	1,503.20	227.01	-	282.53	1,447.68	673.66	941.22
Furniture & Office Equipments	**2018-19**	**289.03**	**64.58**	**76.44**	**9.44**	**267.73**	**230.58**	**19.70**	**69.49**	**8.48**	**172.31**	**95.42**	**58.45**
	2017-18	262.83	26.57	0.37	84.74	204.29	215.02	15.91	0.35	76.81	153.77	50.52	47.81
Vehicles	**2018-19**	**258.95**	**14.69**	**16.89**	**20.01**	**236.74**	**88.86**	**24.54**	**9.35**	**15.67**	**88.38**	**148.36**	**170.08**
	2017-18	228.95	106.13	76.13	30.17	228.78	104.26	21.17	36.57	22.60	66.26	162.52	124.69
Total - Tangible Assets	**2018-19**	**37,651.79**	**7,055.95**	**2,456.58**	**3,924.09**	**38,327.07**	**17,350.11**	**1,527.89**	**1,352.18**	**2,002.87**	**15,522.95**	**22,804.12**	**20,301.68**
	2017-18	37,210.17	868.86	427.24	6,087.95	31,563.84	15,889.83	1,703.68	243.39	3,190.39	14,159.73	17,404.11	21,320.34
Intangible Assets													
Computer Software	**2018-19**	**211.69**	**-**	**-**	**30.09**	**181.60**	**202.26**	**1.11**	**-**	**28.58**	**174.79**	**6.81**	**9.43**
	2017-18	211.69	-	-	30.09	181.60	201.16	1.10	-	28.11	174.15	7.45	10.53

Notes:

(a) Borrowings cost have been capitalised for current year - ₹ 119.33 Lakhs (PY: NIL).

(b) All the Fixed Assets has been pledged as security for borrowings.

(c) Previous Year Net Block figures have been reclassifed to make them comparable with the Current Year Figures.

(₹ in Lakhs)

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 8				
INVESTMENT PROPERTY				
Building				
As at the Beginning of the year	**8.72**		8.72	
Addition / Sale	**–**		–	
As at the end of the year		**8.72**		8.72
Less: Accumulated depreciation as at the beginning of the year	**2.36**		2.18	
Depreciation for the year	**0.18**		0.18	
Accumulated depreciation as at the end of the year		**2.54**		2.36
Net Block		**6.18**		6.36
Investment Property - Silvassa				
Land				
As at the Beginning of the year	**99.97**		99.97	
Addition / Sale	**–**		–	
As at the end of the Year		**99.97**		99.97
Building				
As at the Beginning of the year	**1,637.02**		1,637.02	
Less: Accumulated depreciation as at the end of the year	**679.00**		675.59	
As at the end of the Year		**958.02**		961.43
Total Investment Property		**1,064.17**		1,067.76

Information regarding income and expenditure of Investment property

	As at 31-03-2019	As at 31-03-2018
Rental Income from Investment Properties		
Direct Operating Expenses	**–**	–
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**–**	–
Less: Depreciation	**(0.18)**	(0.18)
Profit arising from Investment Properties before Indirect Expenses	**(0.18)**	(0.18)
Fair Value of Investment Property	**113.17**	113.17

Notes:

The Company's investment properties consists of 1 flat at Krishna Tower, Adyar, Chennai

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team.

The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 47.

NOTE NO. 9

(A) INVESTMENT IN ASSOCIATES

(₹ in Lakhs)

Name of the Company	Face Value ₹ per share	As at 31-03-2019 No. of Shares	As at 31-03-2018 No. of Shares	As at 31-03-2019 Fair Value Cost	As at 31-03-2018 Fair Value Cost
Investment in Equity Instruments					
1) Quoted					
The Ramco Cements Limited	**1**	**36,24,000**	3,624,000	**19.86**	19.86
Ramco Industries Limited	**1**	**1,35,880**	135,880	**0.53**	0.53
Rajapalayam Mills Limited	**10**	**135,200**	135,200	**12.98**	12.98
Ramco Systems Limited	**10**	**12,739**	12,739	**12.15**	12.15
Sub-Total (1)				**45.52**	45.52
2) Unquoted					
Sri Vishnu Shankar Mills Limited	**10**	**11,200**	11,200	**1.68**	1.68
Sri Harini Textiles Limited	**10**	**1,490,000**	1,490,000	**149.00**	149.00
Shri Harini Media Limited	**1**	**6,000,500**	6,000,500	**60.01**	60.01
Sub-Total (2)				**210.69**	210.69
Investment in Preference Shares, Non Trade - Unquoted					
Shri Harini Media Limited - 9% Redeemable Preference Shares	**1**	**840,00,000**	84,000,000	**840.00**	840.00
Aggregate Value of Total Investment				**1,096.21**	1,096.21
Aggregate Value of:					
Quoted Investments - Cost				**45.52**	45.52
Market Value				**28,114.78**	28,413.52
Unquoted Investments - Cost				**1,050.69**	1,050.69

(B) OTHER INVESTMENT (DESIGNATED AT FVTOCI)

Name of the Company	Face Value ₹ per share	As at 31-03-2019 No. of Shares	As at 31-03-2018 No. of Shares	As at 31-03-2019 Fair Value Cost	As at 31-03-2018 Fair Value Cost
Unquoted					
Ramco Industrial and Technology Services Limited	**10**	**26,350**	26,350	**5.27**	2.63
Ramco Windfarms Limited	**1**	**6,16,000**	6,16,000	**6.16**	6.16
ARS Energy Private Limited	**275**	**370**	160	**1.02**	0.44
Total Other Investments				**12.45**	9.23

Note:

1) Refer to Note No. 47 for information about fair value hierchy under Disclosure of Fair Value Measurement.

2) M/s. Ramco Industrial and Technology Services Limited and M/s. Ramco Windfarms Limited ceased to be an Associate with effect from 01-04-2018.

(₹ in Lakhs)

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 10				
FINANCIAL ASSETS - (NON CURRENT) LOANS AND ADVANCES				
Unsecured, considered good				
Loans and advances to related parties *[Refer to Note no. 45 (b) (i)]*		**10.00**		10.00
NOTE NO. 11				
OTHER FINANCIAL ASSETS - (NON CURRENT)				
Unsecured, considered good				
Security Deposits with Electricity Board / Others		**426.31**		370.63
NOTE NO. 12				
OTHER NON CURRENT-ASSETS				
Unsecured, considered good				
Advance to Others		**274.43**		142.77
NOTE NO. 13				
ASSET HELD FOR SALE				
Asset Held for Sale	**864.71**		1,838.15	
Impairment Loss on Asset	**(475.88)**	**388.83**	–	1,838.15
		388.83		1,838.15
NOTE NO. 14				
INVENTORIES				
(Valued at lower of cost or Net realisable value)				
Finished Goods		**4,376.66**		2,901.05
Raw Materials - Cotton & Cotton Waste		**2,489.03**		3,197.50
Stores and Spares		**166.47**		203.07
Work-in-Progress		**1,185.72**		890.26
		8,217.88		7,191.88

Note: The total carrying amount of inventories as at reporting date has been pledged as security for Borrowings

		As at 31-03-2019	As at 31-03-2018
NOTE NO. 15			
TRADE RECEIVABLES			
Unsecured and considered good			
Trade Receivables less than Six Months		**3,753.41**	2,039.21

a) Trade receivables are non-interest bearing and are generally on terms of 30 to 35 days.

b) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms of private companies respectively in which any director is a partner, a director or a member.

c) The total carrying amount of trade receivables has been pledged as security for Borowings.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE NO. 16		
CASH AND CASH EQUIVALENTS		
Cash on Hand	**1.85**	4.93
Balance with Banks		
In Current Account	**116.83**	75.98
In Deposit Account for Margin Money	**21.43**	302.93
	140.11	383.84
NOTE NO. 17		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances with Banks for Unclaimed Dividend	**10.55**	11.80
NOTE NO. 18		
OTHER FINANCIAL ASSETS (CURRENT)		
Government Grants Receivable	**127.13**	82.83
Security Deposit	**11.50**	11.50
Insurance Claim Receivable	**0.70**	–
	139.33	94.33
NOTE NO. 19		
OTHER CURRENT ASSETS		
Unsecured, considered good		
Advance to Suppliers / Others	**344.71**	704.40
Advance Income - Tax & TDS and Refund Due	**24.14**	10.61
Accrued Income	**209.69**	438.25
Prepaid Expenses	**161.04**	121.94
Other Current Assets	**5.73**	18.81
	745.31	1,294.01
NOTE NO. 20		
EQUITY SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of ₹ 10/- each (PY: 50,00,000 Equity Shares of ₹ 10/- each)	**500.00**	500.00
Issued, Subscribed and Fully Paid-up 39,46,560 Equity Shares of ₹ 10/- each (PY: 39,46,560 Equity Shares of ₹ 10/- each)	**394.66**	394.66

a. Issued, Subscribed and Fully Paid-up Shares includes 37,81,560 Shares of ₹ 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018

b. Reconciliation of the number of shares outstanding

Particulars	**As at 31-03-2019**		As at 31-03-2018	
	No. of Shares	**Amount**	No. of Shares	Amount
Number of Shares at the beginning	**39,46,560**	**394.66**	19,73,280	197.33
Issued during the Year - Bonus Issue	**–**	**–**	19,73,280	197.33
Number of Shares at the end	**39,46,560**	**394.66**	39,46,560	394.66

c. Rights / Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of Shareholders holding more than 5 percent in the Company

Particulars	**As at 31-03-2019**		As at 31-03-2018	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Smt. Nalina Ramalakshmi	**14,91,860**	**37.80**	14,91,860	37.80

e. Aggregate number of Equity Shares allotted as fully paid up by way of bonus shares during the last 5 years : 19,73,280

NOTE NO. 21

OTHER EQUITY

	As at 31-03-2019	As at 31-03-2018
Capital Reserve	**17.63**	17.63
General Reserve	**5,844.92**	6,544.92
Retained Earnings	**68.46**	128.65
FVOTCI Reserve	**2.64**	–
	5,933.65	6,691.20

Capital Reserve

Represents the difference between the shares alloted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

General Reserve

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

Retained Earnings

Represents that portion of the net income of the Company that has been retained by the Company.

FVTOCI Reserve

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE NO. 22		
NON CURRENT BORROWINGS		
Secured		
Term Loan from Banks	**8,287.58**	9,545.76
Working Capital Term Loan from Bank	**5,500.00**	–
	13,787.58	9,545.76

a) Term Loan from Banks are secured by *pari-passu* 1st charge on fixed assets of the Company and *pari-passu* second charge on current assets of the Company

b) Working Capital Term Loan from ICICI Bank secured by 1st Charge on Movable Fixed Assets of the Company and Working Capital Term Loan from Canara Bank Secured by 1st Charge on Current Assets of the Company.

c) The Term Loans from Banks are repayable in quarterly installments. The year wise repayment of Term Loans are as follows:

Year	Amount	Amount
2019-20	**–**	3,524.77
2020-21	**4,802.02**	3,216.16
2021-22	**4,802.02**	1,798.18
2022-23	**3,064.10**	779.56
2023-24	**1,119.44**	227.09
	13,787.58	9,545.76

NOTE NO. 23		
PROVISION (NON - CURRENT)		
Provision for Employee Benefits *[Refer to Note No. (43)]*	**154.38**	123.88
NOTE NO. 24		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	**3,775.65**	3,377.06
Deferred Tax Asset		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	**(764.05)**	(125.66)
Tax effect on Provision for Bonus and Leave Encashment	**(45.64)**	(126.44)
MAT Credit Entitlement	**(1,926.30)**	(1,926.30)
Net Deferred Tax Liability	**1,039.66**	1,198.66

Deferred Tax Asset / Liability calculated on the unabsorbed depreciation is based on the recent assessment orders & estimated depreciation Loss calculated as per the provision of the Income Tax Act, 1961.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
Reconciliation of Deferred Tax Liabilities (net)		
Opening Balance as on 1st April	**1,198.66**	1,443.56
Tax income / (Expense) during the period recognised in Profit and Loss	**(159.00)**	(244.90)
Closing Balance as on 31st March	**1,039.66**	1,198.66

NOTE NO. 25

DEFERRED GOVERNMENT GRANT

Government Grants	**46.72**	50.06

NOTE NO. 26

CURRENT BORROWINGS

Secured		
Loan from Banks*	**5,234.37**	7,918.76
Unsecured considered good		
Loan repayable on Demand from Banks	**4,972.51**	3,143.52
Loan from Other Parties	**0.40**	0.32
Loans and Advances from Related Parties *[Refer to Note No.45 (b) (ii)]*	**1,915.33**	2,221.28
	12,122.61	13,283.88

* Loan Repayable on Demand from Banks are secured by *pari-passu* first charge on the current assets of the Company and *pari-passu* second charge on the fixed assets of the Company.

NOTE NO. 27

TRADE PAYABLES

(i) Total outstanding dues of micro enterprises and small enterprises	**–**	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,173.47**	605.76
	1,173.47	605.76

Terms and conditions:

(a) There are no dues to micro and small enterprises as at 31-03-2019 (PY: ₹ NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(b) Refer to Note No. 48 for information about risk profile of Trade payables under Financial Risk Management.

(₹ in Lakhs)

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 28				
OTHER CURRENT FINANCIAL LIABILITIES				
Current Maturities of Long Term Loans		**3,032.81**		3,052.47
Unpaid Dividends		**10.55**		11.80
Ramaraju Memorial Fund		**349.47**		350.46
Liabilites for Other Finance		**665.80**		494.64
		4,058.63		3,909.37
NOTE NO. 29				
PROVISIONS, CURRENT				
Provision for Employee Benefits		**299.85**		358.53
NOTE NO. 30				
REVENUE FROM OPERATION				
Sale of Products				
Yarn	**11,738.07**		15,752.69	
Surgical Dressings	**3,936.69**		3,738.03	
Fabrics	**8,412.51**		5,390.93	
Waste Cotton	**563.29**		859.00	
		24,650.56		25,740.65
Other Operating Revenues				
Export Incentive		**136.02**		119.23
Job Work Charges Received		**482.02**		281.85
		25,268.60		26,141.73
NOTE NO. 31				
FINANCE INCOME				
Interest Receipts		**126.17**		142.79
NOTE NO. 32				
OTHER INCOME				
Rent Receipts		**42.26**		0.56
Dividend Income		**114.81**		114.81
Government Grants		**3.34**		3.34
Exchange Gain on Foreign Currency Transaction (Net)		**53.67**		52.07
Miscellaneous Income		**5.69**		24.37
		219.77		195.15

(₹ in Lakhs)

		2018-19		2017-18
NOTE NO. 33				
COST OF MATERIALS CONSUMED				
Raw Materials Consumed				
Yarn				
Cotton & Cotton Waste		**7,523.50**		7,985.19
Surgical Dressings				
Cotton, Cotton Waste, Grey Fabrics & etc.,		**1,605.41**		1,333.79
Fabrics				
Yarn Consumed		**4,439.24**		4,262.82
		13,568.15		13,581.80
NOTE NO. 34				
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS				
Opening Stock				
Finished Goods	**2,901.05**		3,059.65	
Work-in-Progress	**890.26**	**3,791.31**	928.02	3,987.67
Closing Stock				
Finished Goods	**4,376.66**		2,901.05	
Work-in-Progress	**1,185.72**	**5,562.38**	890.26	3,791.31
Net (Increase) / Decrease in Stock		**(1,771.07)**		196.36
NOTE NO. 35				
EMPLOYEE BENEFITS				
Salaries, Wages and Bonus		**2,493.74**		2,502.18
Contribution to Provident and Other Funds		**326.34**		304.82
Staff and Labour Welfare & Training Expenses		**208.27**		168.02
		3,028.35		2,975.02
NOTE NO. 36				
FINANCE COST				
Interest on Debts and Borrowings		**2,579.85**		2,037.48
Exchange differences on Foreign Currency Borrowings regarded as an adjustment to Borrowing Cost		**75.60**		130.95
		2,655.45		2,168.43
NOTE NO. 37				
DEPRECIATION AND AMORTIZATION EXPENSES				
Depreciation of Property, Plant and Equipment		**1,527.89**		1,703.68
Amortization of Intangible Assets		**1.11**		1.10
Depreciation on Investment Properties		**0.18**		0.18
		1,529.18		1,704.96

(₹ in Lakhs)

	2018-19		2017-18	
NOTE NO. 38				
OTHER EXPENSES				
Manufacturing Expenses				
Power and Fuel	**2,915.71**		2,589.18	
Packing Materials Consumption	**863.34**		817.40	
Job Work Charges Paid	**30.75**		245.34	
Repairs to Buildings	**96.11**		116.40	
Repairs to Plant and Machinery	**470.96**		446.20	
Repairs - General	**553.22**	**4,930.09**	471.88	4,686.40
Establishment Expenses				
Managing Director's Remuneration	**197.62**		197.62	
Rates and Taxes	**48.63**		55.64	
Postage and Telephone	**15.68**		17.49	
Printing and Stationery	**20.34**		24.38	
Travelling Expenses	**67.34**		66.77	
Vehicle Maintenance	**78.72**		66.90	
Insurance	**62.92**		65.72	
Directors Sitting Fees	**7.35**		9.33	
Rent	**29.47**		27.98	
Audit and Legal Expenses	**22.22**		23.85	
Loss on Sale of Property, Plant & Equipment	**399.19**		3.09	
Impairment Loss of Assets	**475.88**		–	
Corporate Social Responsibility Expenses	**8.71**		1.47	
Miscellaneous Expenses	**139.42**	**1,573.49**	142.83	703.07
Selling Expenses				
Sales Commission	**343.67**		359.31	
Export Expenses	**68.54**		82.17	
Other Seling Expenses	**160.66**		219.70	
		572.87		661.18
		7,076.45		6,050.65

(₹ in Lakhs)

	2018-19	2017-18
NOTE NO. 39		
AUDITORS REMUNERATION		
As Auditor		
Audit Fee	**1.35**	1.35
Tax Audit Fee	**0.30**	0.30
Scrutiniser Fee	**0.25**	0.25
In other capacity:		
Other Services (Certification Fees)	**–**	0.18
Reimbursement of Expenses	**0.20**	–
	2.10	2.08

	2018-19	2017-18
NOTE NO. 40		
DEFERRED TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	**398.59**	(254.62)
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	**(638.39)**	(17.47)
Tax effect on Provision for Bonus and Leave Encashment	**80.80**	27.19
	(159.00)	(244.90)

	2018-19	2017-18
NOTE NO. 41		
COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**80.43**	536.81

	2018-19	2017-18
NOTE NO. 42		
CONTINGENT LIABILITIES		
Guarantees given by the bankers on behalf of company	**103.31**	34.00
Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to - TNVAT	**8.45**	8.45

i. Income Tax Assessment have been completed up to the Accounting Year ended 31st March, 2016 i.e. AY 2016-17. We have received an amount of ₹ 6.35 Lakhs as Income Tax Refund and which is accounted in Liabilities for Current Tax.

ii. Sales Tax Assessment has been completed upto the Accounting year 2015-16.

iii. We have applied Amended Technology Upgradation Subsidy for our weaving expansion project. Since, the process of the Unique Identification Number (UIDN) is going on under Ministry of Textiles, we have not recognised the subsidy amount.

iv. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 159.49 Lakhs (PY: ₹ 159.49 Lakhs).

(₹ in Lakhs)

	2018-19	2017-18

In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.

v. In respect of Sales Tax matters, appeals are pending with Deputy Commissioner (Commercial Tax – Appellate) for a demand amount of ₹ 8.45 Lakhs (PY: ₹ 8.45 Lakhs) towards appeal against ITC Reversal on 100% sales to Specific Economic Zone. In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.

NOTE NO. 43

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

Defined Contribution Plan:

	2018-19	2017-18
Employer's Contribution to Provident Fund	**173.17**	177.98
Employer's Contribution to Superannuation Trust Fund	**17.70**	13.20

Defined Benefit Plan - Gratuity

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act 1972. This is a defined benefit plan in nature. The Company makes annual contributions to "The Ramaraju Surgical Cotton Mills Limited Employees Gratuity Fund" administered by the Trustees and managed by LIC of India, based on the Actuarial Valuation by an Independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demography experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Details of the post retirement gratuity plan (Funded) are as follows:

Movements in the present value of define benefit obligation:

	2018-19	2017-18
Opening defined Benefit Obligation	**538.67**	517.10
Current Service Cost	**39.09**	39.75
Past Service Cost	**NIL**	13.55
Interest Cost	**37.58**	36.21
Actuarial (Gain) / Loss	**(-) 88.55**	(-) 39.65
Benefits Paid	**(-) 75.01**	(-) 28.29
Closing Defined Benefit Obligation	**451.78**	538.67

(₹ in Lakhs)

	2018-19	2017-18
Movement in the Present Value of Plan Assets:		
Opening Fair Value of Plan Assets	**528.74**	518.64
Expected Return on Plan Assets	**38.11**	36.32
Actuarial Gain / (Loss)	**0.83**	2.08
Employer Contribution	**33.92**	NIL
Benefits Paid	**(-) 75.01**	(-) 28.29
Closing Fair Value of Plan Assets	**526.59**	528.75
The amount included in the Statement of Financial position arising from the entity's obligation in respect of its defined benefit plans:		
Fair Value of Plan Assets	**526.59**	528.75
Present Value of Obligation	**451.78**	538.67
Present Value of Funded Defined Obligation	**(-) 74.81**	9.92
Cost of Defined Benefit Plan:		
Current Service Cost	**39.09**	39.75
Interest Cost	**(-) 0.53**	(-) 0.11
Past Service Cost	**NIL**	13.55
Net Cost Recognized Statement in the Income Statement	**38.56**	53.19
Expected Return on Plan Assets (To the extent it does not represent an adjustment to Interest Cost)	**(-) 0.83**	(-) 2.08
Actuarial (Gain) / Loss	**(-) 88.55**	(-) 39.65
Net Cost recognized in the Other Comprehensive Income	**(-) 89.38**	(-) 41.73
Major Categories of Plan Assets:		
GOI Securities	**NIL**	NIL
Funds with LIC	**524.07**	526.24
Others	**2.52**	2.51
Total	**526.59**	528.75
Actuarial Assumptions:		
Discount Rate P.A.	**7.66%**	7.50%
Rate of Escalation in Salary P.A.	**4.00%**	5.00%

(₹ in Lakhs)

	31-03-2019	31-03-2018
Estimate of Expected Benefit payments		
Year 1	**30.61**	83.21
Year 2	**33.66**	87.32
Year 3	**26.61**	62.08
Year 4	**24.21**	73.84
Year 5	**31.28**	59.81
Next 5 Years	**270.84**	253.45
Quantitative Sensitivity Analysis for Significant Assumptions		
0.50% Increase in Discount Rate	**32.12**	37.92
0.50% Decrease in Discount Rate	**36.32**	40.32
0.50% Increase in Salary Growth Rate	**36.40**	40.42
0.50% Decrease in Salary Growth Rate	**32.03**	37.83

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation as significant acturial assumptions source material (Projected unit credit method) has been applied as when calculating. He defined benefit obligation recognised with in the Balance Sheet.

(₹ in Lakhs)

	31-03-2019	31-03-2018
Details of Leave Encashment Plan (Unfunded) are as follows:		
Movement in the Present Value of Defined Benefit Obligation:		
Opening Defined Benefit Obligation	**171.45**	144.53
Current Service Cost	**19.81**	17.94
Interest Cost	**12.09**	9.96
Actuarial (Gain) / Loss	**(-) 67.03**	11.49
Benefits Paid	**(-) 20.53**	(-) 12.47
Closing Defined Benefit obligation	**115.79**	171.45
Movement in the Present Value of Plan Assets:		
Opening Fair Value of Plan Assets	**NIL**	NIL
Expected Return on Plan Assets	**NIL**	NIL
Actuarial Gain / (Loss)	**NIL**	NIL
Employer Contribution	**20.53**	12.47
Benefits Paid	**(-) 20.53**	(-) 12.47
Closing Fair Value of Plan Assets	**NIL**	NIL
Actual Return of Plan Assets:		
Expected Return of Plan Assets	**NIL**	NIL
Actuarial Gain / (Loss) on Plan Assets	**NIL**	NIL
Actual Return on Plan Assets	**NIL**	NIL

(₹ in Lakhs)

	31-03-2019	31-03-2018
The amount included in the Statement of Financial position arising from the entity's obligation in respect of its Defined Benefit Plans:		
Fair Value of Plan Assets	**NIL**	NIL
Present Value of Obligation	**115.80**	171.45
Present Value of Funded Define Obligation	**115.80**	171.45
Cost of Defined Benefit Plan:		
Current Service Cost	**19.81**	17.94
Interest Cost	**12.09**	9.96
Actuarial (Gain) / Loss	**(-) 67.03**	11.49
Net Cost recognized in the Income Statement	**(-) 35.13**	39.39
Major Categories of Plan Assets:		
GOI Securities	**NIL**	NIL
Funds with LIC	**NIL**	NIL
Bank Balance	**NIL**	NIL
Total	**NIL**	NIL
Actuarial Assumptions:		
Discount Rate P.A.	**7.66%**	7.50%
Rate of Escalation in Salary P.A.	**4.00%**	5.00%
Estimate of Expected Benefit Payments		
Year 1	**18.89**	33.05
Year 2	**9.01**	26.43
Year 3	**4.05**	16.53
Year 4	**8.46**	48.33
Year 5	**4.44**	12.02
Next 5 Years	**50.57**	46.40
Quantitative Sensitivity Analysis for Significant Assumptions		
0.50% Increase in Discount Rate	**13.64**	19.30
0.50% Decrease in Discount Rate	**15.20**	20.36
0.50% Increase in Salary Growth Rate	**15.22**	20.36
0.50% Decrease in Salary Growth Rate	**13.61**	19.29

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

(₹ in Lakhs)

	31-03-2019	31-03-2018
NOTE NO. 44		
EARNINGS PER SHARE		
Loss After Tax (₹ in Lakhs) (A)	**(794.55)**	(133.03)
Weighted average number of Equity Shares [In Lakhs] (B)	**39.47**	39.47
Nominal Value per Equity Share (in ₹)	**10.00**	10.00
Basic & Diluted Earnings per share (A)/(B) in ₹	**(20.13)**	(3.37)

NOTE NO. 45

RELATED PARTY TRANSACTIONS

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March, 2019:

a. Associate Companies

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2019	31-03-2018
M/s. The Ramco Cements Limited	India	**1.54**	1.54
M/s. Ramco Industries Limited	India	**0.16**	0.16
M/s. Ramco Systems Limited	India	**0.04**	0.04
M/s. Rajapalayam Mills Limited	India	**1.83**	1.83
M/s. Sri Vishnu Shankar Mills Limited	India	**0.75**	0.75
M/s. Sri Harini Textiles Limited	India	**49.67**	49.67
M/s. Shri Harini Media Limited	India	**2.65**	3.21

b. Key Management Personnel (including KMP under Companies Act, 2013)

Name of the Key Management Personnel	Designation
Shri P.R. Venketrama Raja	Chairman
Smt. Nalina Ramalakshmi	Managing Director
Shri N.R.K. Ramkumar Raja	Managing Director
Shri K. Manoharan	Nominee Director
Shri N.K. Shrikantan Raja	Non-Executive Director
Shri P.J. Alaga Raja	Independent Director
Justice Shri P.P.S.Janarthana Raja	Independent Director
Shri V. Santhanaraman	Independent Director
Shri P.J. Ramkumar Rajha	Independent Director
Shri P.A.B. Raju	Independent Director (from 29-09-2018)
Shri P.R. Ramasubramanian	Chief Financial Officer
Shri A. Emarajan	Company Secretary

c. Relatives of Key Management Personnel

Name of the Relative of KMP	Relationship
Smt. R. Sudarsanam	Mother of Shri P.R. Venketrama Raja
Smt. Saradha Deepa	Sister of Shri P.R. Venketrama Raja
Smt. P.V. Nirmala	Spouse of Shri P.R. Venketrama Raja
Smt. B. Sri Sandhya Raju	Daughter of Shri P.R. Venketrama Raja
Shri N.K. Ramasuwamy Raja	Brother of Shri N.R.K. Ramkumar Raja
Shri N.R.K. Venkatesh Raja	Brother of Shri N.R.K. Ramkumar Raja
Smt. P.S. Ramani Devi	Sister of Shri N.R.K. Ramkumar Raja

d. Companies over which KMP/Relatives of KMP exercise significant influence

M/s. Sandhya Spinning Mill Limited
M/s. Rajapalayam Textile Limited
M/s. Ramco Windfarms Limited

e. Employee Benefit Funds where control exists

The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund
The Ramaraju Surgical Cotton Mills Limited Employees' Gratuity Fund

f. Other entities over which there is a significant influence

M/s. P.A.C.R. Sethuramammal Charity Trust
M/s. N.R.K. Infra System Private Limited
M/s. N.R.K. Distribution Services
M/s. Vinvent Chemilab Private Limited
M/s. Gowrihouse Metal Works LLP
M/s. Gowrilakshmi Screws
Smt. Lingammal Ramaraju Shastra Prathishta Trust

Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. Transactions during the year at Arm's length basis or its equivalent

(₹ in Lakhs)

	Name of the Related party	Value	
		2018-19	2017-18
i.	**Goods Supplied / Services rendered**		
	Associates		
	M/s. Rajapalayam Mills Limited	**4.03**	726.77
	M/s. Ramco Industries Limited	**161.89**	59.83
	M/s. The Ramco Cements Limited	**0.26**	NIL
	M/s. Sri Vishnu Shankar Mills Limited	**393.21**	115.83
	M/s. Sri Harini Textiles Limited	**2,620.02**	2,299.86
	Companies over which KMP / Relative of KMP exercise significant Influence		
	M/s. Sandhya Spinning Mill Limited	**343.22**	525.58
	M/s. Rajapalayam Textiles Limited	**0.02**	0.02
	Other entities over which there is a significant influence		
	M/s. Gowrihouse Metal Works LLP	**0.32**	0.16
	M/s. Gowrilakshmi Screws	**NIL**	0.21
ii.	**Sale of Fixed Assets**		
	Associates		
	M/s. Ramco Industries Limited	**40.12**	NIL
	M/s. Rajapalayam Mills Limited	**66.01**	NIL
	M/s. Sri Vishnu Shankar Mills Limited	**71.98**	NIL

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	Value 2017-18
iii.	**Cost of Goods & Services Purchased / Availed**		
	Associates		
	M/s. The Ramco Cements Limited	**5.48**	4.29
	M/s. Ramco Industries Limited	**45.46**	59.90
	M/s. Ramco Systems Limited	**14.72**	16.25
	M/s. Rajapalayam Mills Limited	**727.57**	825.83
	M/s. Sri Vishnu Shankar Mills Limited	**847.97**	601.45
	M/s. Shri Harini Media Limited	**5.15**	4.88
	M/s. Sri Harini Textiles Limited	**171.91**	NIL
	Companies over which KMP / Relative of KMP exercise significant Influence		
	M/s. Ramco Windfarms Limited	**325.97**	362.54
	M/s. Sandhya Spinning Mill Limited	**221.80**	328.06
	M/s. Thanjavur Spinning Mill Limited	**NIL**	434.10
	M/s. Rajapalayam Textile Limited	**335.08**	231.88
	M/s. N.R.K. Infra System Private Limited	**6.91**	7.28
	Other entities over which there is a significant influence		
	M/s. P.A.C.R. Sethuramammal Charity Trust	**14.39**	9.84
	M/s. N.R.K. Distribution Services	**67.66**	46.09
	M/s. Vinvent Chemilab Private Limited	**1.94**	1.02
	M/s. Gowrilakshmi Screws	**NIL**	0.13
iv.	**Purchase of Fixed Assets**		
	Associates		
	M/s. Rajapalayam Textile Limited	**22.74**	NIL
	M/s. Rajapalayam Mills Limited	**18.63**	NIL
v.	**Leasing Arrangements - Rent Paid**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**0.69**	0.69
vi.	**Dividend Paid**		
	Key Managerial Personnel		
	Shri P.R. Venketrama Raja	**0.03**	0.03
	Smt. Nalina Ramalakshmi	**7.46**	7.46
	Shri N.R.K. Ramkumar Raja	**0.73**	0.73

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	Value 2017-18
	Associates		
	M/s. Rajapalayam Mills Limited	**0.02**	0.02
	M/s. Sri Vishnu Shankar Mills Limited	**0.01**	0.01
	Relatives of Key Management Personnel		
	Smt. R. Sudarsanam	**0.04**	0.04
	Smt. Saradha Deepa	**0.04**	0.04
	Shri N.K. Ramasuwamy Raja	**0.05**	0.05
	Shri N.K. Shrikantan Raja	**0.06**	0.06
	Shri N.R.K. Venkatesh Raja	**0.10**	0.10
	Smt. P.S. Ramani Devi	**0.07**	0.07
vii.	**Dividend Received**		
	Associates		
	M/s. The Ramco Cements Limited	**108.72**	108.72
	M/s. Ramco Industries Limited	**0.68**	0.68
	M/s. Rajapalayam Mills Limited	**5.41**	5.41
viii.	**Interest Paid / (Received)**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**178.25**	159.55
	Shri N.R.K. Ramkumar Raja	**29.60**	28.67
	Associates		
	M/s. Sri Harini Textiles Limited	**(1.10)**	(1.10)
ix.	**Sitting Fees**		
	Key Management Personnel		
	Shri P.R. Venketrama Raja	**0.70**	0.80
	Smt. Nalina Ramalakshmi	**0.50**	0.65
	Shri N.R.K. Ramkumar Raja	**0.55**	0.85
	Shri N.K. Shrikantan Raja	**1.05**	1.25
	Shri P.J. Alaga Raja	**0.95**	1.20
	Justice Shri P.P.S. Janarthana Raja	**0.80**	0.80
	Shri V. Santhanaraman	**0.65**	0.80
	Shri P.J. Ramkumar Rajha	**1.05**	1.10
	Shri K. Manoharan	**0.45**	0.60
	Shri P.A.B. Raju	**0.35**	NIL

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	2017-18
x.	**Remuneration to Key Management Personnel (Other than Sitting Fees)**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi, Managing Director	**135.90**	135.90
	Shri N.R.K. Ramkumar Raja, Managing Director	**61.72**	61.72
	Shri P.R. Ramasubramanian, Chief Financial Officer	**31.44**	25.01
	Shri A. Emarajan, Company Secretary	**8.27**	7.42
xi.	**Contribution to Superannuation Fund / Gratuity Fund**		
	Other entities over which there is a significant influence		
	The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund	**17.71**	13.20
	The Ramaraju Surgical Cotton Mills Limited Employees Gratuity Fund	**20.00**	15.00
xii.	**Maximum amount of loans and advance / (borrowings) outstanding during the year**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**(1,949.78)**	(2,075.65)
	Shri N.R.K. Ramkumar Raja	**(321.50)**	(321.50)
	Associates		
	M/s. Sri Harini Textiles Limited	**10.00**	10.00
xiii.	**Usage charges paid for Power Consumed by virtue of Joint Ownership of Shares with APGPCL**		
	Associates		
	M/s. The Ramco Cements Limited	**3.03**	3.32
xiv.	**Purchase of Equity Shares of Ramco Windfarms Limited**		
	Associates		
	M/s. Sri Vishnu Shankar Mills Limited	**NIL**	0.19
	Companies over which KMP / Relative of KMP exercise significant influence		
	M/s. Sandhya Spinning Mill Limited	**NIL**	0.12
xv.	**CSR Donation given**		
	Other Entities over which there is a significant influence		
	Smt. Lingammal Ramaraju Sastra Prathista Trust	**1.00**	1.00

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	Value 2017-18
b.	**Outstanding balance including commitments**		
i.	**Loans and Advances**		
	Companies over which KMP / Relative of KMP exercise significant Influence		
	M/s. Sri Harini Textiles Limited	**10.00**	10.00
ii.	**Borrowings**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**(1,670.83)**	(1,899.78)
	Shri N.R.K. Ramkumar Raja	**(244.50)**	(321.50)
iii.	**Security Deposit paid by virtue of Joint Ownership of shares with APGPCL**		
	Associates		
	M/s. The Ramco Cements Limited	**11.50**	11.50
iv.	**Corporate Guarantee availed from Related parties**		
	Associates		
	M/s. Rajapalayam Mills Limited	**NIL**	8,860

These Guarantee have been received as an additional security to secure the borrowings.

c. Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Particulars	31-03-2019	31-03-2018
Short - Term Benefits (1)	**217.49**	210.99
Defined Contribution Plan (2)	**21.09**	20.58
Defined Benefit Plan / Other Long-Term Benefits(3)	**–**	–
Total	**238.58**	231.57

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund.
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

46. Segment Information for the year ended 31st March, 2019 **(₹ in lakhs)**

Particulars	Textiles		Surgical		Fabrics		Windmill Power		Total	
	31-03-2019	31-03-2018	**31-03-2019**	31-03-2018	**31-03-2019**	31-03-2018	**31-03-2019**	31-03-2018	**31-03-2019**	31-03-2018
REVENUE										
External Sales / Other Operating Income	**12,256.76**	16,644.50	**3,982.58**	3,757.47	**9,029.26**	5,730.11	**–**	–	**25,268.60**	26,132.08
Inter Segment Sale	**1,821.96**	2,039.27	**–**	–	**660.73**	495.79	**961.58**	1,083.92	**3,444.27**	3,618.98
Total Sales	**14,078.72**	18,683.77	**3,982.58**	3,757.47	**9,689.99**	6,225.90	**961.58**	1,083.92	**28,712.87**	29,751.06
Other Income	**57.52**	72.07	**8.79**	5.64	**38.65**	2.63	**–**	–	**104.96**	80.34
Total Revenue	**14,136.24**	18,755.84	**3,991.37**	3,763.11	**9,728.64**	6,228.53	**961.58**	1,083.92	**28,817.83**	29,831.40
RESULT										
Segment Result	**(778.45)**	(600.28)	**518.14**	633.73	**1,120.49**	639.30	**569.51**	846.22	**1,429.69**	1,518.97
Unallocated Income									**114.81**	114.81
Unallocated Expenses	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Operating Profit	**–**	–	**–**	–	**–**	–	**–**	–	**1,544.50**	1,633.78
Interest Expenses	**–**	–	**–**	–	**–**	–	**–**	–	**2,655.45**	2,168.43
Interest Income	**–**	–	**–**	–	**–**	–	**–**	–	**126.17**	142.79
Provision for Taxation										
Deferred Tax	**–**	–	**–**	–	**–**	–	**–**	–	**(159.00)**	(244.90)
MAT Credit Entitilement	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Income Tax related to earlier Years	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Profit from Ordinary Activities	**–**	–	**–**	–	**–**	–	**–**	–	**(825.78)**	(146.96)
Other Comprehensive Income	**–**	–	**–**	–	**–**	–	**–**	–	**89.38**	41.73
Fair Value Gain on Equity Instruments	**–**	–	**–**	–	**–**	–	**–**	–	**2.64**	–
Net Profit	**–**	–	**–**	–	**–**	–	**–**	–	**(733.76)**	(105.23)
OTHER INFORMATION										
Segment Assets	**19,291.96**	20,150.30	**1,966.87**	1,900.95	**14,921.11**	11,143.34	**1,811.80**	1,944.60	**37,991.74**	35,139.19
Unallocated Assets	**–**	–	**–**	–	**–**	–	**–**	–	**1,108.66**	1,105.41
Total Assets	**19,291.96**	20,150.30	**1,966.87**	1,900.95	**14,921.11**	11,143.34	**1,811.80**	1,944.60	**39,100.40**	36,244.60
Segment Liabilities	**19,300.62**	15,776.54	**3,226.54**	2,375.89	**10,244.93**	11,006.31	**–**	–	**32,772.09**	29,158.74
Unallocated Liabilities	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Total Liabilities	**19,300.62**	15,776.54	**3,226.54**	2,375.89	**10,244.93**	11,006.31	**–**	–	**32,772.09**	29,158.74
Capital Expenditure	**1,007.14**	690.98	**134.31**	66.03	**5,914.50**	3,395.07	**–**	–	**7,055.95**	4,152.08
Unallocated Capital Expenditure	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Depreciation	**753.36**	1,163.35	**75.23**	71.84	**558.92**	329.47	**141.67**	140.30	**1,529.18**	1,704.96
Unallocated Depreciation Expenditure	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Non-Cash Expenses other than Depreciation	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–

NOTE NO. 47

DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category **(₹. in Lakhs)**

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2019					
Financial Assets					
Investments In Preference Shares	840.00	–	–	840.00	840.00
Other Investments	9.81	–	2.64	12.45	12.45
Loans	10.00	–	–	10.00	10.00
Trade Receivables	3,753.41	–	–	3,753.41	3,753.41
Cash and Cash Equivalents	140.11	–	–	140.11	140.11
Bank Balance other than Cash and Cash Equivalents	10.55	–	–	10.55	10.55
Other Financial Assets	139.33	–	–	139.33	139.33
Financial Liabilities					
Borrowings	13,787.58	–	–	13,787.58	13,787.58
Trade Payables	1,173.44	–	–	1,173.44	1,173.44
Other Financial Liabilities	4,058.63	–	–	4,058.63	4,058.63
As at 31-03-2018					
Financial Assets					
Investments In Preference Shares	840.00	–	–	840.00	840.00
Other Investments	9.23	–	–	9.23	9.23
Loans	10.00	–	–	10.00	10.00
Trade Receivables	2,039.21	–	–	2,039.21	2,039.21
Cash and Bank Balances	383.84	–	–	383.84	383.84
Bank Balance other than Cash and Cash Equivalents	11.80	–	–	11.80	11.80
Other Financial Assets	94.33	–	–	94.33	94.33
Financial Liabilities					
Borrowings	9,545.76	–	–	9,545.76	9,545.76
Trade Payables	605.76	–	–	605.76	605.76
Other Financial Liabilities	3,909.37	–	–	3,909.37	3,909.37

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities				
As at 31-03-2019	–	–	12.45	12.45
As at 31-03-2018	–	–	9.23	9.23

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at reporting date in Stock Exchange
Investment in Unlisted securities	Adjusted Net Assets	Net Assets value as per Balance Sheet of respective Companies as at reporting date.
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker

NOTE NO. 48

FINANCIAL RISK MANAGEMENT

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

As at 31-03-2019	Due less than 45 days	46 to 90 days	More than 90 days	Total
Gross carrying amount	2661.28	858.33	233.80	3,753.41
Expected Loss Rate	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	2661.28	858.33	233.80	3,753.41

(₹ in Lakhs)

As at 31-03-2018	Due less than 45 days	46 to 90 days	More than 90 days	Total
Gross carrying amount	1,453.01	553.01	33.19	2,039.21
Expected Loss Rate	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	1,453.01	553.01	33.19	2,039.21

Financial Instruments and Cash Deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows.

Fund Management

Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

Financial Arrangements

The Company has access to the following undrawn borrowing facilities: **(₹. in Lakhs)**

Particulars	31-03-2019	31-03-2018
Expiring within one year		
Bank Overdraft and other facilities	**3,618**	6,907
Term Loans	**2,504**	3,629

Maturities of Financial Liabilities **(₹ in Lakhs)**

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
As at 31-3-2019				
Borrowings from Banks	3,032.81	13,787.58	–	16,820.39
Trade payables	1,173.47	–	–	1,173.47
Other Financial Liabilities (Incl. Interest)	1,025.82	–	–	1,025.82
As at 31-3-2018				
Borrowings from Banks	3052.47	9,545.76	–	12,602.04
Trade payables	605.76	–	–	605.76
Other Financial Liabilities (Incl. Interest)	856.90	–	–	856.90

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

Interest rate risk exposure **(₹ in Lakhs)**

Particulars	31-03-2019	31-03-2018
Variable Rate Borrowings	**16,820.39**	12,602.04
Fixed Rate Borrowings	**–**	–

The Company does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-03-2019	31-03-2018
1% Increase in Interest Rate	**168.20**	126.02

NOTE NO. 49

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

(₹ in Lakhs)

Particulars	31-03-2019	31-03-2018
Long Term Borrowings	**13,787.58**	9,545.76
Current maturities of Long Term borrowings	**3,032.81**	3,052.47
Short Term Borrowings	**12,122.61**	13,283.88
Less: Cash and Cash Equivalents	**150.66**	395.64
Net Debt (A)	**28,792.34**	25,486.47
Equity Share Capital	**394.66**	394.66
Other Equity	**5,933.65**	6,691.20
Total Equity (B)	**6,328.31**	7,085.86
Total Capital Employed (C) = (A) + (B)	**35,120.65**	32,572.33
Capital Gearing Ratio (A) / (C)	**82%**	78%

The increased capital gearing ratio as at 31-03-2019 was due to additional borrowings made by the Company for on-going fabric project / modernization spinning mills. Once the projects are completed and started earning income, the Capital Gearing Ratio will come down in the forthcoming years.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2019 and 31-03-2018.

As per our report annexed
For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

CONSOLIDATED FINANCIAL STATEMENTS

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITORS' REPORT

To the Members of M/s. The Ramaraju Surgical Cotton Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Ramaraju Surgical Cotton Mills Limited ("the Company"), and the share of profits and total comprehensive income of its associates comprising of the consolidated balance sheet as at 31st March 2019, the consolidated statement of profit and loss, the consolidated statement of cash flow for the year ended 31st March 2019, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2019, and consolidated profit / loss, and its consolidated cash flows for the year ended and consolidated changes in the equity on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition in view of adoption new Ind AS 115 (Revenue from Contracts with Customers) accounting standard** The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes identification of performance obligations contained in contracts, determination of the most appropriate method for recognition of revenue relating to the identified performance obligations, assessment of transaction price and allocation of the assessed price to the individual performance obligations. **(Refer to Note No. 4H(i) to the Consolidated Financial Statements)**	**Principal Audit Procedures** Audit procedure involved review of the company's IND AS 115 implementation process, and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition. Our tests in detail focused on transactions occurring within proximity of the year end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents or system generated reports. Further more we assessed the adequacy and appropriateness of the disclosures the Consolidated financial statements.
2.	**Recognition and measurement of deferred taxes** The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with IND AS. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results. We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of	**Principal Audit Procedures** The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and reperformance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards on sample basis. Further more we assessed the adequacy and appropriateness of the disclosures the financial statements.

S.No.	Key Audit Matter	Auditor's Response
	management's estimation and judgment and the materiality of amounts. **(Refer to Note No. 4D (iv),(v),(vi) & (vii) and 6(iv) to the Consolidated Financial Statements)**	
3.	**Evaluation of uncertain Tax Position/ Other contingent liabilities** The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums. **(Refer to Note No. 4(O) (iv) & 6 (vi) to the Consolidated Financial Statements)**	**Principal Audit Procedures** The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims. Furthermore we assessed the adequacy and appropriateness of the disclosures the financial statements.
4.	**Existence and impairment of Trade Receivables** Trade Receivables are significant to the Company's financial statements. The collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter. **(Refer to Note No. 4(T)(vii), 4(V)(vi)(b) and 6(vii) to the Consolidated Financial Statements)**	**Principal Audit Procedures** We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgement and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures. Further more we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Company's management and board of directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the company and including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the company and including its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the company and of its associates are responsible for assessing the ability of the company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company and of its associates are responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness this assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in

the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities to express an opinion on the consolidated financial statement. For the entities included in the consolidated financial statements, which have been audited by other auditors such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 7 associate companies included in the consolidated financial results year to date, whose consolidated financial statements reflect the total comprehensive income of ₹ 31.62 Lakhs for the year ended 31st March 2019. These financial statements as per Ind AS and other financial information of 3 associates are audited by Independent auditors and 4 associates are un-audited and have been furnished to us by the management, and our opinion is based solely on the financial results year to date, to the extent they have been derived from such un-audited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is based on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the report of the statutory auditors of the company and its associates incorporated in India, none of the Directors of the companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the company and its associates incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated there in.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and best of our information and according to the explanations given to us, the remuneration paid to the directors during the current year by the Company and its associates which are incorporated in India is in accordance with the provision of Section 197 (16) of the Act. The remuneration paid to any director by the company and its associates which are incorporated in India, is not in excess of limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;

In our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the company and its associates.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies during the year ended 31st March, 2019.

iv) The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8th November, 2016 to 30th November, 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31st March, 2019.

For N.A. JAYARAMAN & CO.,
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam,
28th May, 2019.

“ANNEXURE - A” TO THE INDEPENDENCE AUDITORS’ REPORT

Referred to in Paragraph (f) of Report on Other Legal and Regulatory Requirements of our Report of even date to the Financial Statements of the Company for the year ended 31st March, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of The Ramaraju Surgical Cotton Mills Limited (The Company) as of and for the year ended 31st March, 2019 we have audited the internal financial controls over consolidated financial reporting of the Company and its associates which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over consolidated financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over consolidated financial reporting with reference to consolidated financial statements of the Company and its associates based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over consolidated financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over consolidated financial reporting and their operating effectiveness. Our audit of internal financial controls over consolidated financial reporting included obtaining an understanding of internal financial controls over consolidated financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over consolidated financial reporting.

Meaning of Internal Financial Controls Over Consolidated Financial Reporting

A company's internal financial control over consolidated financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over consolidated financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Consolidated Financial Reporting

Because of the inherent limitations of internal financial controls over consolidated financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over consolidated financial reporting to future periods are subject to the risk that the internal financial control over consolidated financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, based on the test checks conducted by us, the Company and its associate companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over consolidated financial reporting and such internal financial controls over consolidated financial reporting were prima facie operating effectively as at 31st March 2019, based on the internal control over consolidated financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.A. JAYARAMAN & CO.,
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam,
28th May, 2019.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

(₹ in Lakhs)

	Note No.	As at 31-03-2019		As at 31-03-2018	
ASSETS					
(1) Non-Current Assets					
Property, Plant & Equipments	7	**22,804.12**		17,404.11	
Capital Work-in-Progress		**10.48**		3,283.22	
Investment Property	8	**1,064.17**		1,067.76	
Intangible Assets	7	**6.81**		7.45	
Investments in Associates	9	**16,501.55**		15,634.44	
Financial Assets					
Other Investments	9	**12.45**		110.96	
Loans	10	**10.00**		10.00	
Other Financial Assets	11	**426.31**		370.63	
Other Non Current Assets	12	**274.43**		142.77	
Asset Held for Sale	13	**388.83**		1,838.15	
			41,499.15		39,869.49
(2) Current Assets					
Inventories	14	**8,217.88**		7,191.88	
Financial Assets					
Trade Receivables	15	**3,753.41**		2,039.21	
Cash and Cash Equivalants	16	**140.11**		383.84	
Bank Balance other than Cash and Cash Equivalents	17	**10.55**		11.80	
Other Financial Assets	18	**139.33**		94.33	
Other Current Assets	19	**745.31**		1,294.01	
			13,006.59		11,015.07
TOTAL ASSETS			**54,505.74**		50,884.56
EQUITY & LIABILITIES					
(1) Equity					
Equity Share capital	20	**394.65**		394.65	
Other Equity	21	**21,339.00**		21,331.17	
Total Equity			**21,733.65**		21,725.82
(2) Liabilites					
Non Current Liabilities					
Financial Liabilities					
Borrowings	22	**13,787.58**		9,545.76	
Provisions	23	**154.38**		123.88	
Deferred Tax Liabilities (Net)	24	**1,039.66**		1,198.66	
Deferred Government Grant	25	**46.72**		50.06	
			15,028.34		10,918.36
(3) Current Liabilities					
Financial Liabilities					
Borrowings	26	**12,122.61**		13,283.88	
Trade Payable					
(i) Total outstanding dues of micro enterprises and small enterprises		**–**		–	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	27	**1,173.47**		605.76	
Other Financial Liabilities	28	**4,058.63**		3,909.37	
Provisions	29	**299.85**		358.53	
Liabilities for Current Tax		**89.19**	**17,743.75**	82.84	18,240.38
TOTAL EQUITY AND LIABILITIES			**54,505.74**		50,884.56
Significant Accounting Policies, Judgements and Estimates	1-6				
See accompanying notes to the financial statements.	7-49				

As per our report annexed

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lakhs)

		Note No.		For the year ended 31-03-2019		For the year ended 31-03-2018
	REVENUE					
I	Revenue from Operations	30		**25,268.60**		26,141.73
II	Finance Income	31		**126.17**		142.79
III	Other Income	32		**104.96**		80.34
IV	**Total Revenue (I+II+III)**			**25,499.73**		26,364.86
	EXPENSES					
	Cost of Materials Consumed	33		**13,568.15**		13,581.80
	Purchase of Stock-in-Trade			**512.81**		184.66
	Changes in Inventories of Finished Goods and Work-in-progress	34		**(1,771.07)**		196.36
	Excise Duty			**–**		9.65
	Employee Benefit Expenses	35		**3,028.35**		2,975.02
	Finance Costs	36		**2,655.45**		2,168.43
	Depreciation	37		**1,529.18**		1,704.96
	Others Expenses	38		**7,178.18**		6,050.65
V	**Total Expenses**			**26,701.05**		26,871.53
VI	**Profit / (Loss) Before Tax (IV-V)**			**(1,201.32)**		(506.67)
VII	Income Tax Expenses					
	Deferred Tax			**(190.23)**		(258.83)
VIII	**Loss for the year before share of Profit / (Loss) of Associates (VI-VII)**			**(1,011.09)**		(247.84)
IX	Share of Net Profit After Tax (PAT) of Associates accounted using the Equity Method			**985.01**		1,133.96
X	**Profit / (Loss) for the Year (VIII+IX)**			**(26.08)**		886.12
XI	**Other Comprehensive Income**					
	Item that will not be reclassified subsequently to Profit and Loss: Actuarial Gain on defined benefit obligation (net)		**89.38**		41.73	
	Less: Income Tax Expenses		**31.23**	**58.15**	13.93	27.80
	Fair Value Gain / (Loss) on Equity Instruments through OCI (Net)			**2.64**		–
	Other Comprehensive Income for the year, net of tax			**60.79**		27.80
	Share of OCI of Associates accounted for using the equity method			**(3.09)**		(1.45)
	Total Other Comprehensive Income for the year, net of tax			**57.70**		26.35
XII	**Total Comprehensive Income for the year, net of tax (X-XI)**			**31.62**		912.47
XIII	Earnings per Equity Share of ₹ 10/- each (Basic & Diluted) (in Rupees) *(Refer to Note No.45)*			**(0.66)**		22.46
	Significant Accounting Policies, Judgements and Estimates		1-6			
	See accompanying notes to the financial statements.		7-49			

As per our report annexed

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

(₹ in Lakhs)

		2018-19	2017-18
A. Cash Flow from Operating Activities			
Loss Before Tax		**(1,201.32)**	(506.67)
Adjustments for reconcile Loss Before Tax to Net Cash Flows			
Depreciation & Amortisation		**1,529.18**	1,704.96
Finance Cost		**2,655.45**	2,168.43
Interest Received		**(126.17)**	(142.79)
Impairment Loss on Assets		**475.88**	–
Loss on Sale of Assets		**399.19**	3.09
Fair Value Movement		**101.73**	–
Operating Profit before Working Capital Changes		**3,833.94**	3,227.02
Movements in Working Capital			
Gratuity and Government Grants		**86.04**	38.39
Trade Receivables		**(1,714.20)**	(115.54)
Loans and Advances		**316.36**	(223.78)
Inventories		**(1,026.00)**	2,703.19
Trade Payables & Current Liabilities		**688.79**	(613.89)
Cash generated from Operations		**2,184.93**	5,015.39
Income Tax (Paid) / Received		**6.35**	(0.92)
Net Cash generated from Operating Activities	**A**	**2,191.28**	5,014.47
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets (Including Capital Work-in-Progress)		**(3,783.18)**	(4,145.20)
Investment in Shares - Others		**(0.58)**	(0.31)
Sale of Investment		**–**	0.11
Proceeds from Sale of Property, Plant & Equipments		**705.21**	180.76
Interest Received		**126.17**	142.79
Dividend Received		**114.81**	114.81
Net Cash used in Investing Activities	**B**	**(2,837.57)**	(3,707.04)

(₹ in Lakhs)

		2018-19	2017-18
C. Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings		**7,621.21**	3,161.75
Proceeds from / (Repayment) of Deposits - Related Parties		**(305.95)**	1,399.78
Repayment of Long Term Loan		**(3,399.03)**	(2,576.14)
Proceeds / (Repayment) of Short Term Borrowings (Net)		**(835.68)**	(1,062.27)
Payment of Dividend and Tax thereon		**(23.79)**	(23.75)
Finance Cost		**(2,655.45)**	(2,168.43)
Net Cash from / (used) in Financing Activities	**C**	**401.31**	(1,269.06)
Net Increase / (Decrease) in Cash and Cash Equivalent	**D = (A+B+C)**	**(244.98)**	38.37
Opening balance of Cash and Cash Equivalents	**E**	**395.64**	357.27
Closing balance of Cash and Cash Equivalents	**D + E**	**150.66**	395.64

Notes:

(i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.

(ii) Bank Borrowings including Cash Credits are considered as Financing Activities.

(iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

Particulars	31-03-2019	31-03-2018
Cash and Cash Equivalents (Refer to Note No.16)	**140.11**	383.84
Bank Balances other than Cash and Cash Equivalents (Refer to Note No. 17)	**10.55**	11.80
	150.66	395.64

See accompanying notes to the financial statements (Refer Note No.7 to 49).

As per our report annexed
For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

A. Equity Share Capital **(₹ in Lakhs)**

Balance as at 01-04-2017	197.33
Less: Treasury Shares	0.01
Add: Changes in Equity Share Capital during the year 2017-18 1:1 Bonus shares issued during the year	197.33
Balance as at 31-03-2018	394.65
Changes in Equity Share Capital during the year 2018-19	
Balance as at 31-03-2019	394.65

B. Other Equity

Particulars	Reserves and Surplus				Items of OCI		Total Other Equity
	Capital Reserve	Capital Reserve on Consolidation	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	
Other Equity as at 1st April 2017	**17.63**	**11,877.67**	**6,842.25**	**2,264.20**	**–**	**–**	**21,001.75**
Add: Profit for the financial year 2017-18	–	–	–	886.12	–	–	886.12
Add: Other Comprehensive Income	–	–	–	–	–	26.35	26.35
Total Comprehensive Income	**–**	**–**	**–**	**886.12**	**–**	**26.35**	**912.47**
Less: 1:1 Bonus Shares issued during the year	–	–	(197.33)	–	–	–	(197.33)
Less: Cash Dividend & Tax on Dividend	–	–	–	(23.75)	–	–	(23.75)
Add / (Less): Sale & Purchase of Associates Investments	–	(471.24)	109.27	–	–	–	(361.97)
Less: Transfer to Retained Earnings	–	–	–	–	–	(26.35)	(26.35)
Add: Transfer from OCI	–	–	–	26.35	–	–	26.35
Less: Transfer to General Reserve	–	–	–	(462.11)	–	–	(462.11)
Add: Transfer from Retained Earnings	–	–	462.11	–	–	–	462.11
Other Equity as at 31st March 2018	**17.63**	**11,406.43**	**7,216.30**	**2,690.81**	**–**	**–**	**21,331.17**
Add: Profit for the financial year 2018-19	–	–	–	(26.08)	2.64	–	(23.44)
Add: Other Comprehensive Income	–	–	–	–	–	55.06	55.06
Total Comprehensive Income	**–**	**–**	**–**	**(26.08)**	**2.64**	**55.06**	**31.62**
Cash Dividend & Tax on Dividend	–	–	–	(23.79)	–	–	(23.79)
Add: Transfer from OCI	–	–	–	55.06	–	(55.06)	–
Less: Captial Reserve adjusted on De-classification of Associates	–	(78.65)	–	78.65	–	–	–
Less: Transfer to General Reserve	–	–	–	700.00	–	–	700.00
Add: Transfer from Retained Earnings	–	–	(700.00)	–	–	–	(700.00)
Other Equity as at 31st March 2019	**17.63**	**11,327.78**	**6,516.30**	**3,474.65**	**2.64**	**–**	**21,339.00**

1. **Corporate Information**

The Ramaraju Surgical Cotton Mills Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of the Companies Act. The Registered office of the Company is located at The Ramaraju Surgical Cotton Mills Premises, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117, Tamil Nadu, India.

The Company is principally engaged in manufacture of Surgical Dressings, Yarn and Grey Fabrics. The Company is also engaged in generation of electricity from its windmills for its captive consumption.

The financial statements of the Company for the year ended 31-03- 2019 were approved and adopted by Board of Directors of the Company in their meeting dated 28-05-2019.

2. **Basis of preparation of Consolidated Financial Statements (CFS)**

(i) The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

(ii) The significant accounting policies used in preparing the financial statements are set out in Note No.4S.

(iii) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.

(iv) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.

(v) A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for atleast 12 months after the reporting period. All other liabilities are classified as non-current.

(vi) The consolidated financial statements are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.

(vii) Pursuant to General Circular No.39/2014 dated 14-10-2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the financial statements are not merely repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.

(viii) The CFS comprises the financial statements of The Ramaraju Surgical Cotton Mills Limited and its Associate Companies. The list of Companies which are included in consolidation and the Company's holding and voting rights there in are as under:

Name of the Company	% of Shareholding & Voting Power	
	31-03-2019	31-03-2018
M/s. The Ramco Cements Limited	1.54	1.54
M/s. Ramco Industries Limited	0.16	0.16
M/s. Ramco Systems Limited	0.04	0.04
M/s. Rajpalayam Mills Limited	1.83	1.83
M/s. Sri Vishnu Shankar Mills Limited	0.75	0.75
M/s. Sri Harini Textiles Limited	49.67	49.67
M/s. Shri Harini Media Limited	2.65	3.21

(ix) During the year 2018-19, the following Companies have ceased to be Associates consequent to review by the Board based on existence of voting power and significant influence in accordance with Ind AS -28:

- M/s. Ramco Industrial and Technology Services Limited
- M/s. Ramco Windfarms Limited

(x) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

B. Principles of Consolidation

i) The CFS includes the share of profit / loss of the associate companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit / loss of the associates (the loss being restricted to the cost of investment) has been added / deducted from the cost of investment. The most recent available financial statements of the associates are used in applying the equity method.

ii) The Consolidated Statement of Profit and Loss reflects the share of results of its associates. Any change in OCI of those investees is presented as part of the Consolidated OCI.

iii) Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate Company from the date on which it becomes an associate and any difference between the cost of the investment and the Parent's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

(a) Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.

(b) Subsequently, the carrying amount of investment is adjusted to recognize the share of post-acquisition profits or losses of its Associates in the Parent's Statement of Profit & Loss.

(c) The equity method shall be discontinued from the date when the investment ceases to be an Associate and it shall measure the retained interest at fair value. The fair value of the retained interest shall be regarded as its fair value on initial recognition as a financial asset. The difference between the fair value of retained interest & any proceeds from disposing of a part interest in the Associate and the carrying amount of investment at the date the equity method was discontinued, will be recognized in profit or loss.

iv) Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.

v) Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated to the extent of the Company's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred.

vi) At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates' in the Statement of Profit & Loss.

vii) The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the Company's separate financial statements.

3. Basis of Measurement

The consolidated financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4(S)- Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

4. Significant Accounting Policies

A. Inventories

(i) Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

(ii) Process Stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process Stock.

(iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

B. Statement of Cash Flow

(i) Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

(ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

(iii) Bank borrowings, including Bank overdrafts and Cash Credits are generally considered to be financing activities.

C. Dividend distribution to Equity shareholders

Dividend distribution to Shareholders is recognised in the period in which the dividends are approved by the Shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes are recognised directly in Equity.

D. Income Taxes

(i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws.

(ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognized as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period.

The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

(iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

(iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

(v) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to such set off current tax assets against current tax liabilities.

(vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

E. Property, Plant and Equipments (PPE)

(i) PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT/ GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

(ii) Subsequent expenditures are included in the assets' carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(iii) Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection / overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

(v) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.

(vi) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

(vii) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Type of Plant and Machinery	Useful life of such components ranging from
Textile Machineries / Equipment	10 to 15 Years
Wind Mills	22 to 30 Years
HFO & DG Sets	12 to 25 Years
Electrical Machineries	3 to 25 years
Motor cars given to employees as per company's scheme	6 to 8 years

(viii) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, which ever is more clearly evident.

(ix) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

(x) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.

(xi) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro-rata basis upto the date on which such assets have been discarded / sold.

(xii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

F. Capital Work-in-Progress

Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

G. Leases

(i) The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfillment of arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

(ii) The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts and payments are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Company do not have any finance leases.

(iii) The amount paid for securing right to use of lands is classified as Intangible Assets under "Leasehold Land", and are amortised over the tenure of lease.

H. Revenue Recognition

The Company has adopted Ind AS 115 with effect from 1-4-2018 (i.e) from the date on which it became effective.

(i) Revenue from Operations

a) Sale of products

Revenue from product sales is recognized when the Company transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. There is no significant financing component with regard to sale of products for the Company as per Ind AS 115. The Company do not have any non-cash consideration.

b) Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set off against the cost of Power & Fuel.

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at Factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set after against the case of power & fuel.

c) Scrap sales

Scrap sales is recognized when the Company transfers control of the product to customers.

d) Income from Job Work

Income from job work is recognized on the proportion of work executed as per the contract / agreement.

(ii) Other Income

a) Interest income is recognized using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, to the gross carrying amount of the financial asset or to the authorised cost of a financial liability.

b) Dividend income is recognised when the Company's right to receive dividend is established.

c) Rental income from operating lease on investment properties is recognised on a straight line basis over the terms of the relevant lease.

I. Employee Benefits

(i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

(ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

(iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employees' basic salary. The Company has no further obligations.

(iv) The Company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lakhs per annum is remitted to The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.

(v) The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "The Ramaraju Surgical Cotton Mills Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.

(vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.

(vii) Re-measurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to 'Other Comprehensive Income' in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

J. Government Grants

(i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

(ii) In case of revenue related grant, the income is recognized on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

(iii) In case of grant relates to an asset, it is recognised as income over the expected useful life of the related asset.

(iv) Interest subsidy under Technology Up-gradation Fund Scheme (TUFS) is recognised on accrual basis and credited to the Interest and Finance cost.

(v) Power Subsidy under Industrial Investment Promotion Policy of Andhra Pradesh is credited to the Power & Fuel cost.

(vi) Other subsidies under Industrial Investment Promotion Policy of Andhra Pradesh are credited to Industrial Promotion Assistance under Note No. 32 "Other Income".

K. Foreign currency transactions

(i) The financial statements are presented in Indian Rupees, which is also the Company's functional currency.

(ii) All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

(iii) Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

(iv) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

L. Borrowing Costs

(i) Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

(ii) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.

M. Earnings per Share

(i) Earnings per share is calculated by dividing the Profit / (loss) attributable to equity shareholders by the weighted average number of equity shares.

(ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.

(iii) The Company do not have any potential equity shares.

N. Impairment of Non-Financial Assets

i) The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.

(ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation /

amortization for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

(iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

(iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

O. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

(ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for Contingent Assets are not recognised.

(iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

P. Intangible Assets

(i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.

(ii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below:

Nature of Intangible Assets	Estimated Useful Life
Computer Software	6 years

(iii) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest and are recognized as Intangible assets under development.

(iv) The residual values, useful lives and methods of amortization of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

Q. Investment Properties

(i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment properties.

(ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.

(iii) The Company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant components as detailed below, that are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013:

Asset type	Useful Life
Buildings under Investment properties	60 years

(v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognized in the Statement of Profit and Loss. Amount receivable towards investment properties that are impaired and derecognized in the financial statements, are recognized in the Statement of Profit and Loss, when the recognition criteria are met.

(vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

R. Operating Segments

The Company has four operating / reportable segments viz. Textiles, Surgicals, Fabrics and Wind Power Generation from Wind Mills.

The inter segment transfers of Goods / Units are recognised at the applicable competitive market prices / tariff rates of the electricity bounds for the purpose of Segment Reporting as per the relevent Accounting Standard. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

S. Financial Instruments

(i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(ii) Financial Assets and Liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to off set the recognized amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

T. Financial Assets

(i) Financial assets comprise of investments in equity, trade receivables, cash and cash equivalents and other financial assets.

(ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

a) Amortised cost; or

b) Fair value through other comprehensive income (FVTOCI); or

c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

(iii) Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

(iv) The Company has accounted for its investments in associates at cost. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Associates as an option exercised at the time of initial recognition.
FVTPL	Forward exchange contracts.

(v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

a. Significant risk and rewards of the financial asset, or

b. Control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

(vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the Statement of Profit and Loss.

(vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

U. Financial Liabilities

(i) Financial liabilities comprise of Borrowings from Banks, Trade Payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

(ii) The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised Cost	Borrowings, Trade Payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

V. Fair Value Measurement

(i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

(iii) All assets and liabilities for which fair value is measured, are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

(iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

(v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

(vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

a) **Investments in Equity**

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

b) **Trade and Other Receivables**

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

c) **Investment Properties**

The fair value is determined for disclosure purposes based on valuation report given by an Independent External Valuer.

5. Amendments to the existing Accounting Standards / issuance of new accounting standard effective from 1-4-2019 onwards

1. **New Standard**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying deletion of existing standard Ind AS 17 on Leases and insertion of new standard Ind AS 116 on Leases for applicability with effect from April1, 2019.

Ind AS 116 Leases

Entity as a Lessee

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Entity as a Lessor

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The above notified standard provides two recognition exemptions for lessees viz., leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less).

The Company is evaluating the requirements of this new standard and its effect on the financial statements.

2. **Amendments in existing accounting standards**

   The details of amendments to the existing standards applicable to the Company with effect from April 1, 2019, which may impact the financial statements in the coming years are detailed below:

Ind AS 12 Income Taxes

(a) **Uncertainty over Income Tax Treatments**

Appendix C to Ind AS 12 addresses the following issues, when there is uncertainty over income tax treatments.

(i) Whether an entity considers uncertain tax treatments seperately;

(ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities;

(iii) how an entity determines taxable profit, tax bases, unused tax losses, unused tax credits and tax rates; and

(iv) how an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

(b) **Income tax consequences of dividends**

The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, the Company shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 19 Employee Benefits

Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement, the Company is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset);

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) and the discount rate used to remeasure that net defined benefit liability (asset).

Further the Company first determines any past service cost, or again or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The Company is evaluating the requirements of the above amendments and itself fect on the financial statements.

6. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

(i) Revenue Recognition

Significant management judgment is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The company offers credit period to customers and management judgment is exercised in assessing whether a contract contains a significant financing component.

(ii) Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation / amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

(iii) Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

(iv) Deferred Tax Asset (Including MAT Credit Entitlement)

Significant management judgement is exercised in determining whether the investments in associates or impaired or not is on the basis of this nature of long term strategic investments and business projections.

(v) Provisions

The timing of recognition requires application of judgment to existing facts and circumstance that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(vi) Contingent Liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(vii) Impairment of Trade receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

(viii) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

(ix) Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future.

Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(x) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(xi) Impairment of Investments in Associates

Significant management judgement is exercised in determining whether the investment in Associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

(xii) Interests in other entities

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds lessthan 20% of the voting rights. Significant management is exercised whether such associate companies are individually immaterial or not for the purpose of disclosure requirements.

NOTE NO. 7

PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Year	Gross Block					Depreciation					Net Block	
		As at the beginning of the year	Additions made during the year	Sold	Transfer to Investment Property & Assets held for Sale	As at the end of the year	As at the beginning of the year	For the year (Note No. 34)	Withdrawn for the year	Transfer to Investment Property & Assets held for Sale	As at the end of the year	As at the end of the year	As at the beginning of the year
Tangible Assets													
Land	**2018-19**	**548.44**	**-**	**-**	**99.97**	**448.47**	**-**	**-**	**-**	**-**	**-**	**448.47**	**548.44**
	2017-18	548.44	-	-	99.97	448.47	-	-	-	-	-	448.47	548.44
Buildings	**2018-19**	**5,903.67**	**1,749.30**	**-**	**1,637.02**	**6,015.95**	**1,813.06**	**169.54**	**-**	**678.99**	**1,303.61**	**4,712.34**	**4,090.61**
	2017-18	5,860.70	42.97	-	1,637.02	4,266.65	1,574.39	238.67	-	675.59	1,137.47	3,129.18	4,286.31
Plant and Machinery	**2018-19**	**28,190.53**	**4,698.60**	**2,336.57**	**1,843.57**	**28,708.99**	**13,487.41**	**1,167.34**	**1,255.01**	**1,031.19**	**12,368.55**	**16,340.44**	**14,703.12**
	2017-18	27,864.83	676.44	350.74	3,896.22	24,294.31	12,492.96	1,200.92	206.47	2,132.86	11,354.55	12,939.76	15,371.87
Electrical Machinery	**2018-19**	**2,461.17**	**528.78**	**26.68**	**314.08**	**2,649.19**	**1,730.20**	**146.77**	**18.33**	**268.54**	**1,590.10**	**1,059.09**	**730.97**
	2017-18	2,444.42	16.75	-	339.83	2,121.34	1,503.20	227.01	-	282.53	1,447.68	673.66	941.22
Furniture & Office Equipments	**2018-19**	**289.03**	**64.58**	**76.44**	**9.44**	**267.73**	**230.58**	**19.70**	**69.49**	**8.48**	**172.31**	**95.42**	**58.45**
	2017-18	262.83	26.57	0.37	84.74	204.29	215.02	15.91	0.35	76.81	153.77	50.52	47.81
Vehicles	**2018-19**	**258.95**	**14.69**	**16.89**	**20.01**	**236.74**	**88.86**	**24.54**	**9.35**	**15.67**	**88.38**	**148.36**	**170.08**
	2017-18	228.95	106.13	76.13	30.17	228.78	104.26	21.17	36.57	22.60	66.26	162.52	124.69
Total - Tangible Assets	**2018-19**	**37,651.79**	**7,055.95**	**2,456.58**	**3,924.09**	**38,327.07**	**17,350.11**	**1,527.89**	**1,352.18**	**2,002.87**	**15,522.95**	**22,804.12**	**20,301.68**
	2017-18	37,210.17	868.86	427.24	6,087.95	31,563.84	15,889.83	1,703.68	243.39	3,190.39	14,159.73	17,404.11	21,320.34
Intangible Assets													
Computer Software	**2018-19**	**211.69**	**-**	**-**	**30.09**	**181.60**	**202.26**	**1.11**	**-**	**28.58**	**174.79**	**6.81**	**9.43**
	2017-18	211.69	-	-	30.09	181.60	201.16	1.10	-	28.11	174.15	7.45	10.53

Notes:

(a) Borrowings cost have been capitalised for current year - ₹ 119.33 Lakhs (PY: NIL).

(b) All the Fixed Assets has been pledged as security for borrowings.

(c) Previous Year Net Block figures have been reclassifed to make them comparable with the Current Year Figures.

(₹ in Lakhs)

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 8				
INVESTMENT PROPERTY				
Building				
As at the Beginning of the year	**8.72**		8.72	
Addition / Sale	**–**		–	
As at the end of the Year		**8.72**		8.72
Less: Accumulated depreciation as at the beginning of the year	**2.36**		2.18	
Depreciation for the year	**0.18**		0.18	
Accumulated depreciation as at the end of the year		**2.54**		2.36
Net Block		**6.18**		6.36
Investment Property - Silvassa				
Land				
As at the Beginning of the year	**99.97**		99.97	
Addition / Sale	**–**		–	
As at the end of the Year		**99.97**		99.97
Building				
As at the Beginning of the year	**1,637.02**		1,637.02	
Less: Accumulated depreciation as at the end of the year	**679.00**		675.59	
As at the end of the Year		**958.02**		961.43
		1,064.17		1,067.76

Information regarding income and expenditure of Investment property		
Rental Income from Investment Properties		
Direct Operating Expenses	**–**	–
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**–**	–
Less: Depreciation	**(0.18)**	(0.18)
Loss arising from Investment Properties before Indirect Expenses	**(0.18)**	(0.18)
Fair Value of Investment Property	**113.17**	113.17

Notes:

The Company's investment properties consists of 1 flat at Krishna Tower, Adyar, Chennai

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team.

The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 48. .

NOTE NO. 9

(A) INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD **(₹ in Lakhs)**

Name of the Company	Face Value ₹ per share	As at 31-03-2019 No. of Shares	As at 31-03-2018 No. of Shares	As at 31-03-2019 Fair Value Cost	As at 31-03-2018 Fair Value Cost
Investment in Equity Instruments					
1) Quoted					
The Ramco Cements Limited	**1**	**36,24,000**	36,24,000	**14,112.19**	13,455.96
Ramco Industries Limited	**1**	**1,35,880**	1,35,880	**177.28**	165.58
Rajapalayam Mills Limited	**10**	**135,200**	135,200	**1,245.12**	1,060.15
Ramco Systems Limited	**10**	**12,739**	12,739	**84.83**	83.87
Total Quoted Investments (A)				**15,619.42**	14,765.56
2) Unquoted					
Sri Vishnu Shankar Mills Limited	**10**	**11,200**	11,200	**42.13**	28.88
Sri Harini Textiles Limited	**10**	**14,90,000**	14,90,000	**–**	–
Shri Harini Media Limited	**1**	**60,00,500**	60,00,500	**–**	–
Total Unquoted Investments (B)				**42.13**	28.88
Investment in Preference Shares, Non Trade - Unquoted					
Shri Harini Media Limited - 9% Non Convertible Redeemable Preference Shares (C)	**1**	**840,00,000**	84,000,000	**840.00**	840.00
Aggregate Value of Total Investment (A + B + C)				**16,501.55**	15,634.44
Aggregate Value of:					
Quoted Investments - Carrying Value				**15,619.42**	14,765.56
Market Value				**28,114.78**	28,413.52
Unquoted Investments - Carrying Value				**882.13**	868.88

(B) OTHER INVESTMENT (DESIGNATED AT FVTOCI)

Name of the Company	Face Value ₹ per share	As at 31-03-2019 No. of Shares	As at 31-03-2018 No. of Shares	As at 31-03-2019 Fair Value Cost	As at 31-03-2018 Fair Value Cost
Unquoted					
Ramco Industrial and Technology Services Limited	**10**	**26,350**	26,350	**5.27**	35.79
Ramco Windfarms Limited	**1**	**6,16,000**	6,16,000	**6.16**	74.73
ARS Energy Private Limited	**275**	**370**	160	**1.02**	0.44
Total Other Investments				**12.45**	110.96

Notes:

1) Refer to Note No. 49 for information about fair value hierchy under Disclosure of Fair Value Measurement.
2) M/s. Ramco Industrial and Technology Services Limited and M/s. Ramco Windfarms Limited ceased to be an Associate with effect from 01-04-2018.

(₹ in Lakhs)

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 10				
FINANCIAL ASSETS - (NON CURRENT) LOANS AND ADVANCES				
Unsecured, considered good				
Loans and advances to related parties *[Refer to Note no 46 (b) (i)]*		**10.00**		10.00
NOTE NO. 11				
OTHER FINANCIAL ASSETS - (NON CURRENT)				
Unsecured, considered good				
Security Deposits with Electricity Board / Others		**426.31**		370.63
NOTE NO. 12				
OTHER NON CURRENT-ASSETS				
Unsecured, considered good				
Advance to Others		**274.43**		142.77
NOTE NO. 13				
ASSET HELD FOR SALE				
Asset Held for Sale	**864.71**		1,838.15	
Impairment Loss on Asset	**(475.88)**	**388.83**	–	1,838.15
		388.83		1,838.15
NOTE NO. 14				
INVENTORIES (Valued at lower of cost or Net realisable value)				
Finished Goods		**4,376.66**		2,901.05
Raw Materials - Cotton & Cotton Waste		**2,489.03**		3,197.50
Stores and Spares		**166.47**		203.07
Work-in-Progress		**1,185.72**		890.26
		8,217.88		7,191.88

Note: The total carrying amount of inventories as at reporting date has been pledged as security for Borrowings

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 15				
TRADE RECEIVABLES				
Unsecured and considered good				
Trade Receivables less than Six Months		**3,753.41**		2,039.21

a) Trade receivables are non-interest bearing and are generally on terms of 30 to 35 days.

b) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due fromfirms of private companies respectively in which any director is a partner, a director or a member.

c) The total carrying amount of trade receivables has been pledged as security for Borowings.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE NO. 16		
CASH AND BANK BALANCES		
Cash on Hand	**1.85**	4.93
Balance with Banks		
In Current Account	**116.83**	75.98
In Deposit Account for Margin Money	**21.43**	302.93
	140.11	383.84
NOTE NO. 17		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances with Banks for Unclaimed Dividend	**10.55**	11.80
NOTE NO. 18		
OTHER FINANCIAL ASSETS (CURRENT)		
Government Grants Receivable	**127.13**	82.83
Security Deposit	**11.50**	11.50
Insurance Claim Receivable	**0.70**	–
	139.33	94.33
NOTE NO. 19		
OTHER CURRENT ASSETS		
Unsecured, considered good		
Advance to Suppliers / Others	**344.71**	704.40
Advance Income - Tax & TDS and Refund Due	**24.14**	10.61
Accrued Income	**209.69**	438.25
Prepaid Expenses	**161.04**	121.94
Other Current Assets	**5.73**	18.81
	745.31	1,294.01
NOTE NO. 20		
EQUITY SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of ₹ 10/- each (PY: 50,00,000 Equity Shares of ₹ 10/- each)	**500.00**	500.00
Issued, Subscribed and Fully Paid-up 39,46,560 Equity Shares of ₹ 10/- each (PY: 39,46,560 Equity Shares of ₹ 10/- each)	**394.65**	394.65

a. Issued, Subscribed and Fully Paid-up Shares includes 37,81,560 Shares of ₹ 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

		(₹ in Lakhs)
	As at 31-03-2019	As at 31-03-2018

b. Reconciliation of the number of shares outstanding

Particulars	**As at 31-03-2019**		As at 31-03-2018	
	No. of Shares	**Amount**	No. of Shares	Amount
Number of Shares at the beginning	**39,46,560**	**394.66**	19,73,280	197.33
Issued during the Year - Bonus Issue	**–**	**–**	19,73,280	197.33
Number of Shares at the end	**39,46,560**	**394.66**	39,46,560	394.66

c. Rights / Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of Shareholders holding more than 5 percent in the Company

Particulars	**As at 31-03-2019**		As at 31-03-2018	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Smt. Nalina Ramalakshmi	**14,91,860**	**37.80**	14,91,860	37.80

e. Aggregate number of Equity Shares allotted as fully paid up by way of bonus shares during the last 5 years : 19,73,280.

NOTE NO. 21

OTHER EQUITY

Capital Reserve	**17.63**	17.63
Capital Reserve on Consolidation	**11,327.78**	11,406.43
General Reserve	**6,816.30**	7,216.30
Retained Earnings	**3,174.65**	2,690.81
FVTOCI Reserve	**2.64**	–
	21,339.00	21,331.17

Capital Reserve

Represents the difference between the shares alloted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Capital Reserve on Consolidation

Capital Reserve on Consolidation represents excess of the Parent's share of the net fair value of the investments in Associates over the cost of the investments which is recognised directly in Equity as Capital Reserve upon transition.

FVTOCI Reserve

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018

General Reserve

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

Retained Earnings

Represents that portion of the net income of the Company that has been retained by the Company.

Distribution made and proposed

NOTE NO. 22

NON CURRENT BORROWINGS

	As at 31-03-2019	As at 31-03-2018
Secured		
Term Loan from Banks	**8,287.58**	9,545.76
Working Capital Term Loan from Bank	**5,500.00**	–
	13,787.58	9,545.76

a) Term Loan from Banks are secured by *pari-passu* 1st charge on fixed assets of the Company and *pari-passu* second charge on current assets of the Company

b) Working Capital Term Loan from ICICI Bank secured by 1st Charge on Moveable Fixed Assets of the Company and Working Capital Term Loan from Canara Bank Secured by 1st Charge on Current Assets of the Company.

c) The Term Loans from Banks are repayable in quarterly installments. The year wise repayment of Term Loans are as follows:

Year	Amount	Amount
2019-20	**–**	3,524.77
2020-21	**4,802.02**	3,216.16
2021-22	**4,802.02**	1,798.18
2022-23	**3,064.10**	779.56
2023-24	**1,119.44**	227.09
	13,787.58	9,545.76

NOTE NO. 23

PROVISION (NON - CURRENT)

Provision for Employee Benefits *[Refer to Note No. (43)]*	**154.38**	123.88

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE NO. 24		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	**3,775.65**	3,377.06
Deferred Tax Asset		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	**(764.05)**	(125.66)
Tax effect on Provision for Bonus and Leave Encashment	**(45.64)**	(126.44)
MAT Credit Entitlement	**(1,926.30)**	(1,926.30)
Net Deferred Tax Liability	**1,039.66**	1,198.66

Deferred Tax Asset / Liability calculated on the unabsorbed depreciation is based on the recent assessment orders & estimated depreciation Loss calculated as per the provision of the Income Tax Act, 1961.

	As at 31-03-2019	As at 31-03-2018
Reconciliation of Deferred Tax Liabilities (net)		
Opening Balance as on 1st April	**1,198.66**	1,443.56
Tax income / (Expense) during the period recognised in Profit and Loss	**(159.00)**	(244.90)
Closing Balance as on 31st March	**1,039.66**	1,198.66
NOTE NO. 25		
DEFERRED INCOME		
Deferred Income Government Grants	**46.72**	50.06
NOTE NO. 26		
CURRENT BORROWINGS		
Secured		
Loan Repayable on Demand from Banks*	**5,234.37**	7,918.76
Unsecured, considered good		
Loan Repayable on Demand from Banks	**4,972.51**	3,143.52
Loan from Other Parties	**0.40**	0.32
Loans and Advances from Related Parties *[Refer to Note No.46 (b) (ii)]*	**1,915.33**	2,221.28
	12,122.61	13,283.88

* Loan Repayable on Demand from Banks are secured by *pari-passu* first charge on the current assets of the Company and a second charge on the fixed assets of the Company.

(₹ in Lakhs)

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 27				
TRADE PAYABLES				
(i) Total outstanding dues of micro enterprises and small enterprises		–		–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,173.47**		605.76
		1,173.47		605.76

Terms and conditions of the Financial Liabilities:

(a) There are no dues to micro and small enterprises as at 31-03-2019 (PY: ₹ NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(b) Refer to Note No. 49 for information about risk profile of Trade payables under Financial Risk Management.

		As at 31-03-2019		As at 31-03-2018
NOTE NO. 28				
OTHER CURRENT FINANCIAL LIABILITIES				
Current Maturities of Long Term Loans		**3,032.81**		3,052.47
Unpaid Dividends		**10.55**		11.80
Ramaraju Memorial Fund		**349.47**		350.46
Liabilites for Other Finance		**665.80**		494.64
		4,058.63		3,909.37
NOTE NO. 29				
PROVISIONS, CURRENT				
Provision for Employee Benefits		**299.85**		358.53
NOTE NO. 30				
REVENUE FROM OPERATION				
Sale of Products				
Yarn	**11,738.07**		15,752.69	
Surgical Dressings	**3,936.69**		3,738.03	
Fabrics	**8,412.51**		5,390.93	
Waste Cotton	**563.29**		859.00	
		24,650.56		25,740.65
Other Operating Revenues				
Export Incentive		**136.02**		119.23
Job Work Charges Received		**482.02**		281.85
		25,268.60		26,141.73

(₹ in Lakhs)

		2018-19		2017-18
NOTE NO. 31				
FINANCE INCOME				
Interest Receipts		**126.17**		142.79
NOTE NO. 32				
OTHER INCOME				
Rent Receipts		**42.26**		0.56
Government Grants		**3.34**		3.34
Exchange Gain on Foreign Currency Transaction (Net)		**53.67**		52.07
Miscellaneous Income		**5.69**		24.37
		104.96		80.34
NOTE NO. 33				
COST OF MATERIALS CONSUMED				
Raw Materials Consumed				
Yarn				
Cotton & Cotton Waste		**7,523.50**		7,985.19
Surgical Dressings				
Cotton, Cotton Waste, Grey Fabrics & etc.,		**1,605.41**		1,333.79
Fabrics				
Yarn Consumed		**4,439.24**		4,262.82
		13,568.15		13,581.80
NOTE NO. 34				
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS				
Opening Stock				
Finished Goods	**2,901.05**		3,059.65	
Work-in-Progress	**890.26**	**3,791.31**	928.02	3,987.67
Closing Stock				
Finished Goods	**4,376.66**		2,901.05	
Work-in-Progress	**1,185.72**	**5,562.38**	890.26	3,791.31
Net (Increase) / Decrease in Stock		**(1,771.07)**		196.36
NOTE NO. 35				
EMPLOYEE BENEFITS				
Salaries, Wages and Bonus		**2,493.74**		2,502.18
Contribution to Provident and Other Funds		**326.34**		304.82
Staff and Labour Welfare & Training Expenses		**208.27**		168.02
		3,028.35		2,975.02

(₹ in Lakhs)

		2018-19		2017-18
NOTE NO. 36				
FINANCE COST				
Interest on Debts and Borrowings		**2,579.85**		2,037.48
Exchange differences on Foreign Currency Borrowings regarded as an adjustment to Borrowing Cost		**75.60**		130.95
		2,655.45		2,168.43
NOTE NO. 37				
DEPRECIATION AND AMORTIZATION EXPENSES				
Depreciation of Property, Plant and Equipment		**1,527.89**		1,703.68
Amortization of Intangible Assets		**1.11**		1.10
Depreciation on Investment Properties		**0.18**		0.18
		1,529.18		1,704.96
NOTE NO. 38				
OTHER EXPENSES				
Manufacturing Expenses				
Power and Fuel	**2,915.71**		2,589.18	
Packing Materials Consumption	**863.34**		817.40	
Job Work Charges Paid	**30.75**		245.34	
Repairs to Buildings	**96.11**		116.40	
Repairs to Plant and Machinery	**470.96**		446.20	
Repairs - General	**553.22**	**4,930.09**	471.88	4,686.40
Establishment Expenses				
Managing Director's Remuneration	**197.62**		197.62	
Rates and Taxes	**48.63**		55.64	
Postage and Telephone	**15.68**		17.49	
Printing and Stationery	**20.34**		24.38	
Travelling Expenses	**67.34**		66.77	
Vehicle Maintenance	**78.72**		66.90	
Insurance	**62.92**		65.72	
Directors Sitting Fees	**7.35**		9.33	
Rent	**29.47**		27.98	
Audit and Legal Expenses	**22.22**		23.85	
Loss on Sale of Property, Plant & Equipment	**399.19**		3.09	
Impairment Loss of Assets	**475.88**		–	
Corporate Social Responsibility Expenses	**8.71**		1.47	
Miscellaneous Expenses	**241.15**	**1,675.22**	142.83	703.07
Selling Expenses				
Sales Commission	**343.67**		359.31	
Export Expenses	**68.54**		82.17	
Other Selling Expenses	**160.66**		219.70	
		572.87		661.18
		7,178.18		6,050.65

	2018-19	(₹ in Lakhs) 2017-18
NOTE NO. 39		
AUDITORS REMUNERATION		
As Auditor		
Audit Fee	**1.35**	1.35
Tax Audit Fee	**0.30**	0.30
Scrutiniser Fee	**0.25**	0.25
In other capacity:		
Other Services (Certification Fees)	**–**	0.18
Reimbursement of Expenses	**0.20**	–
	2.10	2.08
NOTE NO. 40		
DEFERRED TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	**398.59**	(254.62)
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	**(638.39)**	(17.47)
Tax effect on Provision for Bonus and Leave Encashment	**80.80**	27.19
	(159.00)	(244.90)
NOTE NO. 41		
COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**80.43**	536.81
NOTE NO. 42		
CONTINGENT LIABILITIES		
Guarantees given by the bankers on behalf of company	**103.31**	34.00
Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to - TNVAT	**8.45**	8.45

		(₹ in Lakhs)
	2018-19	2017-18

NOTE NO. 43

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

	2018-19	2017-18
Defined Contribution Plan:		
Employer's Contribution to Provident Fund	**173.17**	177.98
Employer's Contribution to Superannuation Trust Fund	**17.70**	13.20

Defined Benefit Plan - Gratuity

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act 1972. This is a defined benefit plan in nature. The Company makes annual contributions to "The Ramaraju Surgical Cotton Mills Limited Employees Gratuity Fund" administered by the Trustees and managed by LIC of India, based on the Actuarial Valuation by an Independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demography experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Details of the post retirement gratuity plan (Funded) are as follows:

	2018-19	2017-18
Movements in the present value of defined benefit obligation:		
Opening defined Benefit Obligation	**538.67**	517.10
Current Service Cost	**39.09**	39.75
Past Service Cost	**NIL**	13.55
Interest Cost	**37.58**	36.21
Actuarial (Gain) / Loss	**(-) 88.55**	(-) 39.65
Benefits Paid	**(-) 75.01**	(-) 28.29
Closing Defined Benefit Obligation	**451.78**	538.67
Movement in the Present Value of Plan Assets:		
Opening Fair Value of Plan Assets	**528.74**	518.64
Expected Return on Plan Assets	**38.11**	36.32
Actuarial Gain / (Loss)	**0.83**	2.08
Employer Contribution	**33.92**	NIL
Benefits Paid	**(-) 75.01**	(-) 28.29
Closing Fair Value of Plan Assets	**526.59**	528.75
The amount included in the Statement of Financial position arising from the entity's obligation in respect of its defined benefit plans:		
Fair Value of Plan Assets	**526.59**	528.75
Present Value of Obligation	**451.78**	538.67
Present Value of Funded Defined Obligation	**(-) 74.81**	9.92

		(₹ in Lakhs)
	2018-19	2017-18
Cost of Defined Benefit Plan:		
Current Service Cost	**39.09**	39.75
Interest Cost	**(-) 0.53**	(-) 0.11
Past Service Cost	**NIL**	13.55
Net Cost Recognized Statement in the Income Statement	**38.56**	53.19
Expected Return on Plan Assets (To the extent it does not represent an adjustment to Interest Cost)	**(-) 0.83**	(-) 2.08
Actuarial (Gain) / Loss	**(-) 88.55**	(-) 39.65
Net Cost recognized in the Other Comprehensive Income	**(-) 89.38**	(-) 41.73
Major Categories of Plan Assets:		
GOI Securities	**NIL**	NIL
Funds with LIC	**524.07**	526.24
Others	**2.52**	2.51
Total	**526.59**	528.75
Actuarial Assumptions:		
Discount Rate P.A.	**7.66%**	7.50%
Rate of Escalation in Salary P.A.	**4.00%**	5.00%
Estimate of Expected Benefit payments		
Year 1	**30.61**	83.21
Year 2	**33.66**	87.32
Year 3	**26.61**	62.08
Year 4	**24.21**	73.84
Year 5	**31.28**	59.81
Next 5 Years	**270.84**	253.45
Quantitative Sensitivity Analysis for Significant Assumptions		
0.50% Increase in Discount Rate	**32.12**	37.92
0.50% Decrease in Discount Rate	**36.32**	40.32
0.50% Increase in Salary Growth Rate	**36.40**	40.42
0.50% Decrease in Salary Growth Rate	**32.03**	37.83

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

(₹ in Lakhs)

	2018-19	2017-18
Details of Leave Encashment Plan (Unfunded) are as follows:		
Movement in the Present Value of Defined Benefit Obligation:		
Opening Defined Benefit Obligation	**171.45**	144.53
Current Service Cost	**19.81**	17.94
Interest Cost	**12.09**	9.96
Actuarial (Gain) / Loss	**(-) 67.03**	11.49
Benefits Paid	**(-) 20.53**	(-) 12.47
Closing Defined Benefit Obligation	**115.79**	171.45
Movement in the Present Value of Plan Assets:		
Opening Fair Value of Plan Assets	**NIL**	NIL
Expected Return on Plan Assets	**NIL**	NIL
Actuarial Gain / (Loss)	**NIL**	NIL
Employer Contribution	**20.53**	12.47
Benefits Paid	**(-) 20.53**	(-) 12.47
Closing Fair Value of Plan Assets	**NIL**	NIL
Actual Return of Plan Assets:		
Expected Return of Plan Assets	**NIL**	NIL
Actuarial Gain / (Loss) on Plan Assets	**NIL**	NIL
Actual Return on Plan Assets	**NIL**	NIL
The amount included in the Statement of Financial position arising from the entity's obligation in respect of its Defined Benefit Plans:		
Fair Value of Plan Assets	**NIL**	NIL
Present Value of Obligation	**115.80**	171.45
Present Value of Funded Define Obligation	**115.80**	171.45
Cost of Defined Benefit Plan:		
Current Service Cost	**19.81**	17.94
Interest Cost	**12.09**	9.96
Actuarial (Gain) / Loss	**(-) 67.03**	11.49
Net Cost recognized in the Income Statement	**(-) 35.13**	39.39

(₹ in Lakhs)

	31-03-2019	31-03-2018
Major Categories of Plan Assets:		
GOI Securities	**NIL**	NIL
Funds with LIC	**NIL**	NIL
Bank Balance	**NIL**	NIL
Total	**NIL**	NIL
Actuarial Assumptions:		
Discount Rate P.A.	**7.66%**	7.50%
Rate of Escalation in Salary P.A.	**4.00%**	5.00%
Estimate of Expected Benefit Payments		
Year 1	**18.89**	33.5
Year 2	**9.01**	26.43
Year 3	**4.05**	16.53
Year 4	**8.46**	48.33
Year 5	**4.44**	12.02
Next 5 Years	**50.57**	46.40
Quantitative Sensitivity Analysis for Significant Assumptions		
0.50% Increase in Discount Rate	**13.64**	19.30
0.50% Decrease in Discount Rate	**15.20**	20.36
0.50% Increase in Salary Growth Rate	**15.22**	20.36
0.50% Decrease in Salary Growth Rate	**13.61**	19.29

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

NOTE NO. 44

DISCLOSURE OF INTERESTS IN ASSOCIATES UNDER EQUITY METHOD

Name of the Company	Location	Principal activities of Business
Material Associates		
M/s. The Ramco Cements Limited	India	Manufacture of Building materials
M/s. Rajapalayam Mills Limited	India	Manufacturer of Cotton yarn
Immaterial Associates		
M/s. Ramco Industries Limited	India	Manufacture of Building materials
M/s. Ramco Systems Limited	India	Software development
M/s. Sri Vishnu Shankar Mills Limited	India	Manufacturer of Cotton yarn
M/s. Sri Harini Textiles Limited	India	Manufacturer of Cotton yarn
M/s. Shri Harini Media Limited	India	Publications

(₹ in lakhs)

Name of the Company	% of Shareholding as at	
	31-03-2019	31-03-2018
M/s. The Ramco Cements Limited	**1.54**	1.54
M/s. Ramco Industries Limited	**0.16**	0.16
M/s. Ramco Systems Limited	**0.04**	0.04
M/s. Rajapalayam Mills Limited	**1.83**	1.83
M/s. Sri Vishnu Shankar Mills Limited	**0.75**	0.75
M/s. Sri Harini Textiles Limited	**49.67**	49.67
M/s. Shri Harini Media Limited	**2.65**	3.21

Summarised financial information for Associates:

The summarized consolidated financial statements of the material associates are as below:

Balance Sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equity
As at 31-03-2019						
The Ramco Cements Limited	6,59,129.00	23,199.00	1,38,051.00	1,59,454.00	2,06,755.00	4,54,170.00
Rajapalayam Mills Limited	51,505.66	1,47,810.22	24,004.99	22,239.64	30,958.59	1,70,122.64

Balance Sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equit
As at 31-03-2018						
The Ramco Cements Limited	5,65,696.00	20,064.00	1,30,042.00	1,19,331.00	1,85,643.00	4,10,828.00
Rajapalayam Mills Limited	33,620.60	1,37,824.38	18,065.26	7,642.77	21,759.09	1,60,108.38

Profit and Loss	The Ramco Cements Limited		Rajapalayam Mills Limited	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Total Revenue	**5,18,730.00**	4,61,643.00	**42,840.20**	43,227.10
Profit before tax	**71,807.00**	79,128.00	**1,392.73**	1,409.22
Tax expenses	**21,061.00**	23,106.00	**(163.95)**	(391.38)
Profit after Tax	**50,746.00**	56,022.00	**1,556.68**	1,800.60
Share of profit in Associates	**397.00**	483.00	**8,890.81**	9,742.95
Other Comprehensive Income	**(268.00)**	(172.00)	**(106.48)**	(23.53)
Share of OCI of Associate	**160.00**	82.00	**28.95**	41.00
Total Comprehensive Income	**51,035.00**	56,286.00	**10,369.96**	11,561.02

Fair Value of Investments **₹ in Lakhs**

Name of the material Associates	31-03-2019	31-03-2018
The Ramco Cements Limited	**14,112.19**	13,455.96
Rajapalayam Mills Limited	**1,245.12**	1,060.15

Share of contingent Liabilities in respect of associates

Name of the material Associates	31-03-2019	31-03-2018
The Ramco Cements Limited	1,394.38	1,459.99
Rajapalayam Mills Limited	50.12	22.41

Reconciliation to the carrying amount of investment in associates as on 31-03-2019:

Profit and Loss	The Ramco Cements Limited		Rajapalayam Mills Limited	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Entity's TCI	**50,964.00**	55,257.00	**10,369.96**	12,476.63
Entity's Adjusted TCI	**49,725.00**	55,066.00	**10,369.96**	12,494.82
Effective shareholding %	**1.54**	1.54	**1.83**	1.83
Associates share of profit / OCI	**764.95**	847.11	**190.38**	231.12
Amount recognized in P & L	**764.95**	847.11	**190.38**	231.12
Reconciliation				
Opening Carrying amount	**13,455.96**	12,717.57	**1,060.15**	1,306.18
Less: Other Adjustments	**–**	–	**–**	471.74
Add: Associate's share of Profit / OCI	**764.95**	847.11	**190.38**	231.12
Less: Dividend received	**108.72**	108.72	**5.41**	5.41
Net Carrying amount	**14,112.19**	13,455.96	**1,245.12**	1,060.15

Notes:

1.) Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealized profits.

2.) Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates.

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associates are furnished below:

Aggregate amounts of Group's share of:	31-03-2019	31-03-2018
Profit after Tax	**25.78**	53.12
Other Comprehensive Income	**0.81**	1.16
Total Comprehensive Income	**26.59**	54.28

NOTE NO. 45

EARNINGS PER SHARE

Particulars	31-03-2019	31-03-2018
Net profit after tax (₹ in Lakhs) (A)	**(26.08)**	886.12
Weighted average number of Equity shares [In Lakhs] (B)	**39.47**	39.47
Nominal value per equity share (in ₹)	**10.00**	10.00
Basic & Diluted Earnings per share (A)/(B) in ₹	**(0.66)**	22.46

NOTE NO. 46

RELATED PARTY TRANSACTIONS

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March, 2019:

a. Associates Company

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2019	31-03-2018
M/s. The Ramco Cements Limited	India	**1.54**	1.54
M/s. Ramco Industries Limited	India	**0.16**	0.16
M/s. Ramco Systems Limited	India	**0.04**	0.04
M/s. Rajpalayam Mills Limited	India	**1.83**	1.83
M/s. Sri Vishnu Shankar Mills Limited	India	**0.75**	0.75
M/s. Sri Harini Textiles Limited	India	**49.67**	49.67
M/s. Shri Harini Media Limited	India	**2.65**	3.21

b. Key Managerial Personnel (including KMP under Companies Act, 2013)

Name of the Key Management Personnel	Designation
Shri P.R. Venketrama Raja	Chairman
Smt. Nalina Ramalakshmi	Managing Director
Shri N.R.K. Ramkumar Raja	Managing Director
Shri K. Manoharan	Nominee Director
Shri N.K. Shrikantan Raja	Non-Executive Director
Shri P.J. Alaga Raja	Independent Director
Justice Shri P.P.S. Janarthana Raja	Independent Director
Shri V. Santhanaraman	Independent Director
Shri P.J. Ramkumar Rajha	Independent Director
Shri P.A.B. Raju	Independent Director (from 29-09-2018)
Shri P.R. Ramasubramanian	Chief Financial Officer
Shri A. Emarajan	Company Secretary

c. **Relatives of Key Managerial Personnel**

Name of the Relative of KMP	Relationship
Smt. R. Sudarsanam	Mother of Shri. P.R. Venketrama Raja
Smt. Saradha Deepa	Sister of Shri. P.R. Venketrama Raja
Smt. P.V. Nirmala	Spouse of Shri P.R. Venketrama Raja
Smt. B. Sri Sandhya Raju	Daughter of Shri P.R. Venketrama Raja
Shri N.K. Ramasuwamy Raja	Brother of Shri N.R.K. Ramkumar Raja
Shri N.R.K. Venkatesh Raja	Brother of Shri N.R.K. Ramkumar Raja
Smt. P.S. Ramani Devi	Sister of Shri N.R.K. Ramkumar Raja

d. **Companies over which KMP / Relatives of KMP exercise significant influence**

M/s.Sandhya Spinning Mill Limited M/s.Rajapalayam Textile Limited	M/s.Ramco Windfarms Limited

e. **Employee Benefit Funds where control exists**

The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund
The Ramaraju Surgical Cotton Mills Limited Employees' Gratuity Fund

f. **Other entities over which there is a significant influence**

M/s. P.A.C.R. Sethuramammal Charity Trust
M/s. N.R.K. Infra System Private Limited
M/s. N.R.K. Distribution Services
M/s. Vinvent Chemilab Private Limited
M/s. Gowrihouse Metal Works LLP
M/s. Gowrilakshmi Screws
Smt. Lingammal Ramaraju Shastra Pratishta Trust

Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. **Transactions during the year at Arm's length basis or its equivalent** **(₹ in Lakhs)**

Name of the Related party	Value	
	2018-19	2017-18
i. Good Supplied / Services rendered		
Associates		
M/s. Rajapalayam Mills Limited	**4.03**	726.77
M/s. Ramco Industries Limited	**161.89**	59.83
M/s. The Ramco Cements Limited	**0.26**	NIL
M/s. Sri Vishnu Shankar Mills Limited	**393.21**	115.84
M/s. Sri Harini Textiles Limited	**2,620.02**	2299.86
Companies over which KMP / Relative of KMP exercise significant Influence		
M/s. Sandhya Spinning Mill Limited	**343.22**	525.58
M/s. Rajapalayam Textile Limited	**0.02**	0.02

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	2017-18
	Other entities over which there is a significant influence		
	M/s. Gowrihouse Metal Works LLP	**0.32**	0.16
	M/s. Gowrilakshmi Screws	**NIL**	0.21
ii.	**Sale of Fixed Assets**		
	Associates		
	M/s. Ramco Industries Limited	**40.12**	NIL
	M/s. Rajapalayam Mills Limited	**66.01**	NIL
	M/s. Sri Vishnu Shankar Mills Limited	**71.98**	NIL
iii.	**Cost of Goods & Services purchased / availed**		
	Associates		
	M/s. The Ramco Cements Limited	**5.48**	4.29
	M/s. Ramco Industries Limited	**45.46**	59.90
	M/s. Ramco Systems Limited	**14.72**	16.25
	M/s. Rajapalayam Mills Limited	**727.57**	825.83
	M/s. Sri Vishnu Shankar Mills Limited	**847.97**	601.45
	M/s. Shri Harini Media Limited	**5.15**	4.88
	M/s. Sri Harini Textiles Limited	**171.91**	NIL
	Companies / Other entities over KMP / Relative of KMP exercise significant influence		
	M/s. Ramco Windfarms Limited	**325.97**	362.54
	M/s. Sandhya Spinning Mill Limited	**221.80**	328.06
	M/s. Thanjavur Spinning Mill Limited	**NIL**	434.10
	M/s. Rajapalayam Textile Limited	**335.08**	231.88
	M/s. N.R.K. Infra Systems Private Limited	**6.91**	7.28
	Other entities over which there is significant influence		
	M/s. P.A.C.R. Sethuramammal Charity Trust	**14.39**	9.84
	M/s. N.R.K. Distribution Services	**67.66**	46.09
	M/s. Vinvent Chemilab Private Limited	**1.94**	1.02
	M/s. Gowrilakshmi Screws	**NIL**	0.13
iv.	**Purchase of Fixed Assets**		
	Associates		
	M/s. Rajapalayam Textile Limited	**22.74**	NIL
	M/s. Rajapalayam Mills Limited	**18.63**	NIL
v.	**Leasing Arrangements - Rent Paid**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**0.69**	0.69
vi.	**Dividend Paid**		
	Key Managerial Personnel		
	Shri P.R. Venketrama Raja	**0.03**	0.03
	Smt. Nalina Ramalakshmi	**7.46**	7.46
	Shri N.R.K. Ramkumar Raja	**0.73**	0.73

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	Value 2017-18
	Associates		
	M/s. Rajapalayam Mills Limited	**0.02**	0.02
	M/s. Sri Vishnu Shankar Mills Limited	**0.01**	0.01
	Relatives of Key Management Personnel		
	Smt. R. Sudarsanam	**0.04**	0.04
	Smt. Saradha Deepa	**0.04**	0.04
	Shri N.K. Ramasuwamy Raja	**0.05**	0.05
	Shri N.K. Shrikantan Raja	**0.06**	0.06
	Shri N.R.K. Venkatesh Raja	**0.10**	0.10
	Smt. P.S. Ramani Devi	**0.07**	0.07
vii.	**Dividend Received**		
	Associates		
	M/s. The Ramco Cements Limited	**108.72**	108.72
	M/s. Ramco Industries Limited	**0.68**	0.68
	M/s. Rajapalayam Mills Limited	**5.41**	5.41
viii.	**Interest Paid / (Received)**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**178.25**	159.55
	Shri N.R.K. Ramkumar Raja	**29.60**	28.67
	Associates		
	Sri Harini Textiles Limited	**(1.10)**	(1.10)
ix.	**Sitting Fees**		
	Key Managerial Personnel		
	Shri P.R. Venketrama Raja	**0.70**	0.80
	Smt. Nalina Ramalakshmi	**0.50**	0.65
	Shri N.R.K. Ramkumar Raja	**0.55**	0.85
	Shri N.K. Shrikantan Raja	**1.05**	1.25
	Shri P.J. Alaga Raja	**0.95**	1.20
	Justice Shri P.P.S. Janarthana Raja	**0.80**	0.80
	Shri V. Santhanaraman	**0.65**	0.80
	Shri P.J. Ramkumar Rajha	**1.05**	1.10
	Shri K. Manoharan	**0.45**	0.60
	Shri P.A.B. Raju	**0.35**	NIL

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	Value 2017-18
x.	**Remuneration to Key Management Personnel (Other than Sitting Fees)**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi, Managing Director	**135.90**	135.90
	Shri N.R.K. Ramkumar Raja, Managing Director	**61.72**	61.72
	Shri P.R. Ramasubramanian, Chief Financial Officer	**31.44**	25.01
	Shri A. Emarajan, Company Secretary	**8.27**	7.42
xi.	**Contribution to Superannuation Fund / Gratuity Fund**		
	Other entities over which there is a significant influence		
	The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund	**17.71**	13.20
	The Ramaraju Surgical Cotton Mills Limited Employees Gratuity Fund	**20.00**	15.00
xii.	**Maximum amount of borrowings outstanding during the year**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**(1,949.78)**	(2,075.65)
	Shri N.R.K. Ramkumar Raja	**(321.50)**	(321.50)
	Associates		
	Sri Harini Textiles Limited	**(10.00)**	(10.00)
xiii.	**Usage charges paid for Power Consumed by virtue of Joint Ownership of Shares with APGPCL**		
	Associates		
	M/s. The Ramco Cements Limited	**3.03**	3.32
xiv.	**Purchase of Equity Shares of Ramco Windfarms Limited**		
	Associates		
	M/s. Sri Vishnu Shankar Mills Limited	**NIL**	0.19
	Companies over which KMP / Relative of KMP exercise significant Influence		
	M/s. Sandhya Spinning Mill Limited	**NIL**	0.12
xv.	**CSR Donation given**		
	Other Entities over which there is a significant influence		
	Smt. Lingammal Ramaraju Sastra Prathista Trust	**1.00**	1.00

(₹ in Lakhs)

	Name of the Related party	Value 2018-19	2017-18
b.	**Outstanding balance including commitments**		
i.	**Loans and advances**		
	Companies over which KMP / Relative of KMP exercise significant influence		
	M/s.Sri Harini Textiles Limited	**10.00**	10.00
ii.	**Borrowings:**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**(1,670.83)**	(1,899.78)
	Shri N.R.K. Ramkumar Raja	**(244.50)**	(321.50)
iii.	**Security deposit paid by virtue of Joint Ownership of shares with APGPCL**		
	Associates		
	M/s. The Ramco Cements Limited	**11.50**	11.50
iv.	**Corporate Guarantee availed from Related parties**		
	Associates		
	M/s. Rajapalayam Mills Limited	**NIL**	8,860

These Guarantee have been received as an additional security to secure the borrowings.

c. Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Particulars	**31-03-2019**	31-03-2018
Short - Term Benefits (1)	**217.49**	210.99
Defined Contribution Plan (2)	**21.09**	20.58
Defined Benefit Plan / Other Long-Term Benefits (3)	**NIL**	NIL
Total	**238.58**	231.57

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

47. Segment Information for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Textiles		Surgical		Fabrics		Windmill Power		Total	
	31-03-2019	31-03-2018	**31-03-2019**	31-03-2018	**31-03-2019**	31-03-2018	**31-03-2019**	31-03-2018	**31-03-2019**	31-03-2018
REVENUE										
External Sales / Others Operating Income	**12,256.76**	16,644.50	**3,982.58**	3,757.47	**9,029.26**	5,730.11	**–**	–	**25,268.60**	26,132.08
Inter Segment Sale	**1,821.96**	2,039.27	**–**	–	**660.73**	495.79	**961.58**	1,083.92	**3,444.27**	3,618.98
Total Sales	**14,078.72**	18,683.77	**3,982.58**	3,757.47	**9,689.99**	6,225.90	**961.58**	1,083.92	**28,712.87**	29,751.06
Other Income	**172.33**	72.07	**8.79**	5.64	**38.65**	2.63	**–**	–	**219.77**	80.34
Total Revenue	**14,251.05**	18,755.84	**3,991.37**	3,763.11	**9,728.64**	6,228.53	**961.58**	1,083.92	**28,932.64**	29,831.40
RESULT										
Segment Result	**(778.45)**	(600.28)	**518.14**	633.73	**1,120.49**	639.30	**569.51**	846.22	**1,429.69**	1,518.97
Unallocated Income										
Unallocated Expenses										
Operating Profit									**1,429.69**	1,518.97
Interest Expenses									**2,655.45**	2,168.43
Interest Income									**126.17**	142.79
Provision for Taxation										
Deferred Tax									**(159.00)**	(244.90)
MAT Credit Entitlement									**–**	–
Profit from Ordinary Activities									**(940.59)**	(261.77)
Other Comprehensive Income									**89.38**	41.73
Fair Value Gain on Equity nstruments									**(99.09)**	–
Share of TCI from Associates									**981.92**	1,132.51
Net Profit									**31.62**	912.47
OTHER INFORMATION										
Segment Assets	**19,291.96**	20,150.30	**1,966.87**	1,900.95	**14,921.11**	11,143.34	**1,811.80**	1,944.60	**37,991.74**	35,139.19
Unallocated Assets									**1,108.66**	1,105.41
Total Assets	**19,291.96**	20,150.30	**1,966.87**	1,900.95	**14,921.11**	11,143.34	**1,811.80**	1,944.60	**39,100.40**	36,244.60
Segment Liabilities	**19,300.62**	15,776.54	**3,226.54**	2,375.89	**10,244.93**	11,006.31	**–**	–	**32,772.09**	29,158.74
Unallocated Liabilities									**–**	–
Total Liabilities	**19,300.62**	15,776.54	**3,226.54**	2,375.89	**10,244.93**	11,006.31	**–**	–	**32,772.09**	29,158.74
Capital Expenditure	**1,007.15**	690.98	**134.31**	66.03	**5,914.50**	3,395.07	**–**	–	**7,055.96**	4,152.08
Unallocated Capital Expenditure									**–**	–
Depreciation	**753.36**	1,163.35	**75.23**	71.84	**558.92**	329.47	**141.67**	140.30	**1,529.18**	1,704.96
Unallocated Depreciation Expenditure									**–**	–
Non–Cash Expenses other than Depreciation									**–**	–

NOTE NO. 48

DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category **(₹ in Lakhs)**

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2019					
Financial Assets					
Investments In Preference Shares	840.00	–	–	840.00	840.00
Other Investments	9.81	–	2.64	12.45	12.45
Loans	10.00	–	–	10.00	10.00
Trade Receivables	3,753.41	–	–	3,753.41	3,753.41
Cash and Bank Balances	140.11	–	–	140.11	140.11
Bank Balance other than Cash and Cash Equivalents	10.55	–	–	10.55	10.55
Other Financial Assets	139.33	–	–	139.33	139.33
Financial Liabilities					
Borrowings	13,787.58	–	–	13,787.58	13,787.58
Trade Payables	1,173.44	–	–	1,173.44	1,173.44
Other Financial Liabilities	4,058.63	–	–	4,058.63	4,058.63
As at 31-03-2018					
Financial Assets					
Investments In Preference Shares	840.00	–	–	840.00	840.00
Other Investments	0.44	–	–	0.44	0.44
Loans	10.00	–	–	10.00	10.00
Trade Receivables	2,039.21	–	–	2,039.21	2,039.21
Cash and Bank Balances	383.84	–	–	383.84	383.84
Bank Balance other than Cash and Cash Equivalents	11.80	–	–	11.80	11.80
Other Financial Assets	94.33	–	–	94.33	94.33
Financial Liabilities					
Borrowings	9,545.76	–	–	9,545.76	9,545.76
Trade Payables	605.76	–	–	605.76	605.76
Other Financial Liabilities	3,909.37	–	–	3,909.37	3,909.37

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities				
As at 31-03-2019	–	–	12.45	12.45
As at 31-03-2018	–	–	9.24	9.24

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at 31st March in Stock Exchange
Investment in Unlisted securities	At Book Value	Net Assets as per Balance Sheet of respective Companies as at reporting date.

NOTE NO. 49

FINANCIAL RISK MANAGEMENT

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

As at 31-03-2019	Due less than 45 days	46 to 90 days	More than 90 days	Total
Gross carrying amount	2,661.28	858.33	233.80	3,753.41
Expected Loss Rate	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	2,661.28	858.33	233.80	3,753.41

(₹ in Lakhs)

As at 31-03-2018	Due less than 45 days	46 to 90 days	More than 90 days	Total
Gross carrying amount	1,453.01	553.01	33.19	2,039.21
Expected Loss Rate	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	1,453.01	553.01	33.19	2,039.21

Financial Instruments and Cash Deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

Financial Arrangements

The Company has access to the following undrawn borrowing facilities:

Particulars	31-03-2019	31-03-2018
Expiring within one year		
Bank Overdraft and other facilities	**3,618**	6,907
Term Loans	**2,504**	3,629

Maturities of Financial Liabilities **(₹ in Lakhs)**

Nature of Financial Liability	< 1 Year	1 - 5 Years	> 5 years	Total
As at 31-3-2019				
Borrowings from Banks	3,032.81	13,787.58	–	16,820.39
Trade payables	1,173.44	–	–	1,173.44
Other Financial Liabilities (Incl. Interest)	1,015.02	–	–	1,015.02
As at 31-3-2018				
Borrowings from Banks	3052.47	9,545.76	–	12,602.04
Trade payables	605.76	–	–	605.76
Other Financial Liabilities (Incl. Interest)	856.90	–	–	856.90

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/ outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

Cash Flow and Fair Value Interest Rate Risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

Interest Rate Risk Exposure **(₹ in Lakhs)**

Particulars	31-03-2019	31-03-2018
Variable rate borrowings	**16,820.39**	12,602.04

The Company does not have any interest rate swap contracts.

Sensitivity on Interest Rate Fluctuation

Incremental Interest Cost works out to		
1% Increase in Interest Rate	**168.20**	126.02

As per our report annexed
For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

Rajapalaiyam
28th May, 2019

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. NALINA RAMALAKSHMI
MANAGING DIRECTOR

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

A. EMARAJAN
COMPANY SECRETARY

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

[CIN : U17111TN1939PLC002302]

Regd. Office : RSCM Premises, 119, P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117. Tamil Nadu

Name of the Member(s) : ....

Registered Address : ....

E-mail Id : ....

Folio No. / DP Id. & Client Id.: ....

I/We, being the Member(s) of .... shares of the above named Company, hereby appoint

1. Name : .... Address : ....
   E-mail Id : .... Signature : .... or failing him/her
2. Name : .... Address : ....
   E-mail Id : .... Signature : .... or failing him/her
3. Name : .... Address : ....
   E-mail Id : .... Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 79th Annual General Meeting of the Company, to be held on Wednesday the 14th August 2019 at 9.30 A.M. at P.A.C.Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
	Ordinary Business - Ordinary Resolutions
1	Adoption of Financial Statements for the year ended 31st March 2019
2	Appointment of Shri P.R. Venketrama Raja as Director, who retires by rotation
3	Appointment of Shri N.K. Shrikantan Raja as Director, who retires by rotation
	Special Business - Ordinary Resolution
4	Reappointment of Smt. Nalina Ramalakshmi as Managing Director
	Special Business - Special Resolution
5	Appointment of Shri P.A. B. Raju as Independent Director
	Special Business - Ordinary Resolution
6	Ratification of fee payable to Shri M. Kannan, Cost Accountant, appointed as Cost Auditor of the Company for the financial year 2019-20

Signed this... day of 2019

Signature of Shareholder ....

Signature of Proxy holder(s) ....

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

[CIN : U17111TN1939PLC002302]

Regd. Office : RSCM Premises, 119, P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117. Tamil Nadu

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I / We hereby record my/our presence at the 79th Annual General Meeting of the Company.

Venue : P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens,
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.

Date & Time : Friday, the 14th August, 2019 at 9.30 A.M.

Name of the Member________________________________ Folio No/DP ID & Client ID ____________________

Name of the Proxy* _________________________________ Signature of Member / Proxy Attending__________

*(To be filled in, if the proxy attends instead of the Member)

THE RAMARAJU
SURGICAL COTTON
MILLS LIMITED

119 P A C Ramasamy Raja Salai, Rajapalaiyam 626 117, Tamilnadu, India